

Murphy

Nation's Business

A USEFUL LOOK AHEAD

JANUARY 1967

What's happening to the boom

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Inside the new budget

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Anybody can get a job

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Art Buchwald's fearless forecast

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First things first?

PAGE 68

A FIRST BOUND COPY

Do NOT remove from office

A ceiling used to be something that just sat up there with some fixtures dangling from it, and maybe some air vents stuck into it.

That doesn't go anymore.

An Armstrong Luminaire Ceiling System (there are three) provides illumination, distributes air, quiets noise, and protects against fire. All in one handsome, easily installed assembly. Quite a change from the old concept.

Consider illumination. Most conventional lighting fixtures look cramped, boxish. They have little reflective surface surrounding the lamps. A good deal of the light they generate doesn't get down to desk-top level. With a Luminaire System's deep, V-shaped modules, you have as



Below, a peek at the future: the control room and lab center for an on-wheels, fully automated pulp mill. Driven right to the forest site, this mill will send out remote-control machinery to reduce timber to chips—on the spot—and pipe them directly back to plant. Entire operation will be handled by complement of three: timbering superintendent, plant process supervisor, and lab technician. Innovation like this? Soon. The ceiling? Here today.

much as three times the reflective surface around each lamp. This delivers far more illumination to working areas.

Whatever degree of illumination you need, fewer lamps will do the job in a Luminaire System. Obviously this means lower initial lamp costs, fewer lamps to replace, and fewer dollars for electricity.

Another consideration: the lamps in a Luminaire System don't intrude. Anywhere you stand, most of them can't be seen because they're tucked deep inside the modules. This means far more comfortable lighting—free from harsh glare, distracting shadows.

More could be said. Considerably more. About efficiency in air distribution. About effective noise control. Or the endless design possibilities in combining modules with flat panels. Or the economy of installing the system. And we've said it—in a color booklet titled "How to get more useful work out of a ceiling . . . and save money doing it". Write for it. Armstrong Cork Company, 4201 Mercantile St., Lancaster, Pa. 17604.

CEILING SYSTEMS BY
Armstrong

MEET THE EFFICACIOUS CEILING:



R. F. Nikkel Lumber Co. increased their sales by 40 percent

It all stems from good connections



Says owner Bob Nikkel: "When we started our lumber business in 1955, we used personal contact selling.

"But as we developed customers over the entire country our sales staff couldn't possibly contact them personally as often as they should.

"After a short flirtation with branch offices, we centralized things here in Sacramento, and began relying on an organized telephone selling program.

"Sales went up 40 percent the first year of our telephone selling program.

"Each of our 11 salesmen spends some time in the field every year.

"But after a couple of weeks on the road, they like to get back on the phone."

Like R. F. Nikkel Lumber Co., your company can save time and make more sales by using Phone Power on a planned, organized basis. Let one of our Bell System Communications Consultants show you how.

Just call your Bell Telephone Business Office and ask for his services.



AT&T
and Associated Companies

Nation's Business

January 1967 Vol. 55 No. 1

Published by the Chamber of Commerce of the United States
The national federation of organizations representing
4,750,000 companies and professional and business men
Washington, D.C.

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America may have lots of "disadvantaged" youngsters, but most of them can tell when opportunity really is knocking

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HF
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N38
V.55
1967

**Move it,
lift it,
load it,
dig it,
grade it,
build it up,
or tear
it down**

Nobody offers as many man-savers

Why should a man even care about International having the biggest power line on the market? So what if International does have 24 different tractors ranging from 7 to 135 hp? So what if there are 13 different dirt moving attachments and 12 fork lifts and 6 loaders and 3 backhoes and every kind of mower from flail to cutter-bar? Chances are a man only wants one. Right?

But there is a point worth considering. With International's full line, a man is sure of finding the exact tractor and matched equipment he's looking for. That's for any job, aerating to zoo keeping. Big rigs, little ones or in between. And every one backed up by the experience gained from building over 4 million tractors.

Talk to your IH dealer about any power need, and while you're at it, talk money. He offers one, two and three-year financing. Up to three deferred payments a year during slack seasons. Leasing. Leasing with option to buy. Or you suggest something. He wants to make a deal!



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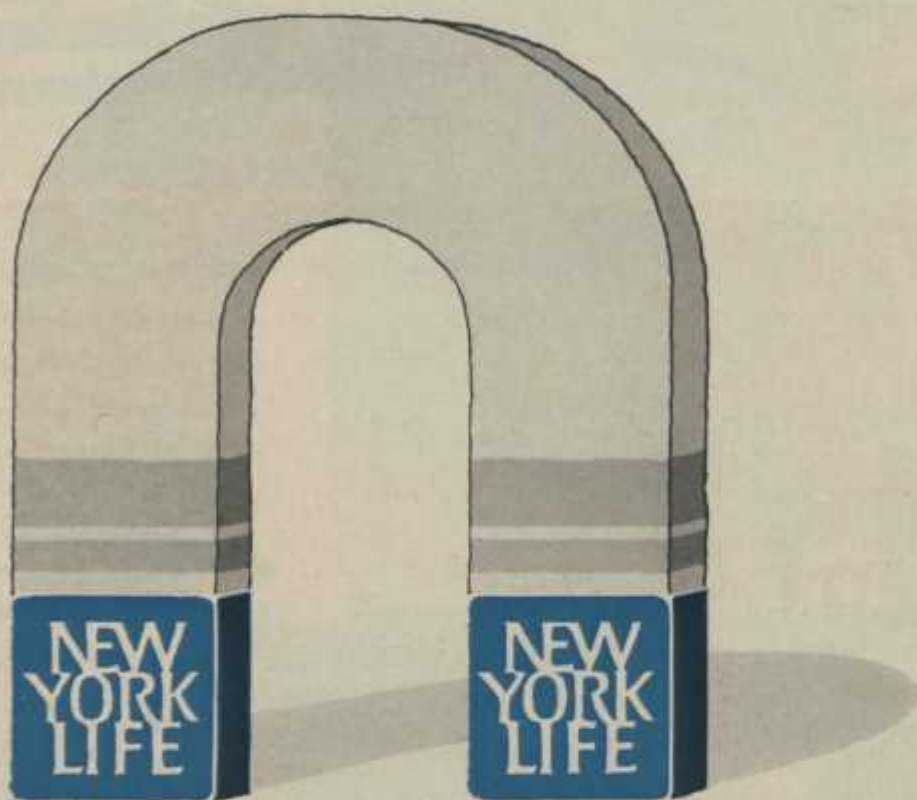
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Self-loading, 9-yard E-200 International Pay® scraper.



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WASHINGTON: A LOOK AHEAD

Lots of top-level clamor now—from bureaucratic offices to executive suites—about new partnerships between business and government.

Wave of the future is joint ventures for solving public problems, some predict. Other enthusiasts say business alone can harness its technical and organizational skills to the profit motive and solve any problem from rebuilding America's cities to upgrading our whole labor force.

Uncle Sam could name the problem area and business doers could create, produce, sell, fix, serve or solve.

Business-government ties are nothing new, of course. More than 30 advisory groups now work with government on everything from inflation to equal employment opportunity.

And business already is helping to solve social-economic problems. (See articles on pages 33 and 58.)

To some businessmen government is a treasured customer. A host of companies hold billions of dollars worth of defense contracts.

To others in business, government is dreaded regulator and meddler.

Some say if you sleep with a watchdog you never know when he'll turn on you with those sharp teeth.

Those with a sense of history remember that first American corporations were creatures of the British crown, later state governments. They could only do what the bureaucrats dictated.

Today, though, when American business ingenuity under government supervision is about to plunk a man on the moon, many feel no job is too big for business, or too risky.

Fact is, business already is slugging through some knee-deep public problems and showing it can do the job cheaper and better than a government agency with 10,000 paper-shufflers.

What's causing current fuss over cozier contacts between government and business?

For one, the Johnson Administration has a plan that will probably be proposed formally in State of the Union message and federal budget this month.

Plan is to set up a nonprofit corporation to meld private and public resources to eradicate American slums.

Other ideas are bouncing about Capitol Hill: A public-private corporation like Communications Satellite Corp. to contract-out business attacks on poverty, slums and worker training (Sen. Javits); a semiprivate corporation to meet slum areas' needs (Bobby Kennedy); creation of new business markets in run-down cores of cities (Sen. Ribicoff).

Some politicians want business' know-how, some want their dollars. Some business executives see new markets, new challenges. Social awareness is on the rise. And some are tempted by new subsidies.

Example of top-drawer thinking in Washington is seen in recent speech by Commerce Secretary John Connor kicking off business-government lecture series:

"There are jobs to be done in this country today that challenge both business and government to new forms of joint or parallel effort. (It) indicates the potential shape of a tomorrow characterized by . . . public problem-solving and . . . dramatic utilization of technology." He cited possible areas ranging from transportation to recreation. He predicts it will be "the next step for America."

All this could signal new Washington mood of "be kind to business." Election gains that strengthened business viewpoint is just part of it. Some bureaucrats now finally see that business not only provides revenue and jobs and stability and thrust to the economy, but also its

WASHINGTON: A LOOK AHEAD

creative genius, know-how, drive and just plain businesslike approach can get things done.

Great big lesson is now being learned. All the buddy-buddy stuff between politicians and labor union boys hasn't really helped the Administration much.

For years now, the Kennedy and Johnson Administrations took aboard union officials to help them run things.

Ex-union people are in plenty of government slots from the UN to the Equal Employment Opportunity Commission, the NLRB, Office of Economic Opportunity (poverty corps), Agency for International Development, Labor Department, Veterans Administration, Office of Emergency Planning. You name it.

Now the politicians are smartening up, realizing the unions can't even harvest a good crop of votes, much less provide enormous know-how, finances and incentive to remedy big public ills.

As one official put it: "Name me a single union official who knows anything about weapons system concepts for solving complex scientific-industrial-social problems."

Commerce Department higher-ups with past business experience now quietly plan to bring business' case more strongly before councils of government.

When a new legislative idea is first being tasted and chewed on or a new regulation is being drafted, these Commerce Department officials want persuasive evidence—facts and figures in detail—on what impact new idea would have on business.

One place to get more data, seek greater truths, is from academic world. One idea now being talked about would be to have young scholars write doctoral theses on key business issues, maybe even with grants from industry and blessing from government to get more objective data to show effects of legislation on business and economy.

Government already collects lots of data on production. But distribution and marketing—

half the cost of products—are surrounded by question marks.

"We don't know enough about transportation, warehousing or advertising costs, for example," explains one Commerce official. He predicts the start of a "long, essential interchange" between business and government with goals of more agreement on voluntary upgrading of quality and more information for consumers as well as better cost data.

A welter of federal laws will cut off in 1967 unless Congress renews their leases.

Many are entrenched; some have proven their worth. Others may be dropped or changed drastically. You can imagine the battles due when you see the expiring laws. They include:

Authorization for the food stamp program, highway beautification, Peace Corps, war on poverty, foreign aid, Appalachian highway system, teachers corps, military draft.

Also due to expire are the important Trade Agreements Act, suspension of tax on import of manganese ore, suspension of duties on metal scrap, authorization for saline water conversion plants, authority of government to guarantee aircraft purchase loans, extension of copyright protection in certain cases, suspension of plant and equipment investment tax credit.

U.S. foreign policy officials now look for a major break in morale among Viet Cong within six to eight months.

Experts base optimism on rising number of VC surrendering compared with past months.

Cheery outlook is not universal throughout government; but surrender rate is considered significant.

Though we now fare better in the war, success itself brings new problems. One involves pacifying retaken territory. So American troops concentrate on search and destroy operations, assigning South Vietnamese to occupying villages. One job is about as rough as the other.



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What they'll do for your fleet budget will surprise you.**

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If you happen to be in charge of leasing or purchasing your company's fleet, they could do a lot for your image.



MADE IN ENGLAND

Wide-Track Pontiac

Business opinion:

They know what to do when the union knocks

To the Editor:

"What to Do When the Union Knocks" [November] contained many useful suggestions, some of which we have used or are in the process of using now. It also contained many we did not apply, and I will admit we would be better off had we done so.

Our company is in the throes of a strike, now one week old (economic issues), which does not look like it will end soon.

LUCIEN S. BONCK
President
J. H. Bonck Co., Inc.
New Orleans, La.

To the Editor:

We found "What to Do When the Union Knocks" most enlightening, for we now find ourselves in the same position as you described—"a small firm in the throes of trying to negotiate a contract with a giant union."

DAVID COHEN
President
M. Cohen & Sons, Inc.
Philadelphia, Pa.

To the Editor:

"What to Do When the Union Knocks" is excellent.

I think most magazines would be afraid to publish such a series.

However, employers who read a series such as yours may be inclined to feel that they now have a "do-it-yourself kit" and can be their own

lawyer. Nothing could be further from the truth.

The average employer is a neophyte and must seek out experienced guidance. For example, even the "footwork" at the NLRB is something which is known only to the sophisticated.

If any single point is important, it is that one.

I do hope you will make it since it is absent from most of the brochures that have been published by management organizations on this subject.

WOODROW J. SANDLER
New York, N. Y.

To the Editor:

I read with a great deal of interest Part One of "What to Do When the Union Knocks." Unfortunately the timing of the other two parts will not be good. We are scheduled to have an NLRB vote in our factory soon.

RICHARD R. WOODARD
President
Miss Pat Sportswear Coordinates
Los Angeles, Calif.

To the Editor:

We are most interested in "What to Do When the Union Knocks."

We are now in the throes of union negotiations and we feel the articles will be most helpful to us.

THOMAS S. HARTZELL
President
Hartzell Manufacturing, Inc.
St. Paul, Minn.

The Congressman's job

To the Editor:

Felix Morley ["When You Vote for a Senator," November] falls into the same trap so many teachers of history and civics tumble into—supposing that members of the House of Representatives were intended by the framers of our Constitution to represent merely their districts.

Note, however, that a representative need not reside in his district—merely in the state.

From this, and from the Madison and Pinckney reports, it would appear that a member of the lower house is a representative of his state—no less than its Senators—and is vested with the national interest as paramount over all other considerations of parochial concern.

RICH FOWLER
Tucson, Ariz.

Volunteers explain it

To the Editor:

"Why the Draft Won't Hurt Your Labor Supply" [November] has two conflicting statements:

- "Draft calls have risen sharply and the total in the armed forces probably will climb by as much as a half million by the end of 1967, to around 3.6 million men."
- "Each month the services discharge more men than are inducted."

B.M. STARK
New York, N. Y.

► Editor's note: Volunteers account for the difference.

The Yanks in France

To the Editor:

I read with interest "Not All the Yanks Can Go Home" [October].

But I disagree with one point. All the Yanks in France can go home. They can be brought home.

Had I been President of the United States, I would have said to Gen. de Gaulle: "If we come out, our dead will come with us."

Perhaps it is not too late for the American people to rouse themselves and let Gen. de Gaulle know that honor is not a monopoly of the French.

ROBERT B. LACOSTE
New Orleans, La.

To the Editor:

I agree with you that "Not All the Yanks Can Go Home," but not only Yankees sleep in many places all around the world.

One of my brothers was killed fighting with American troops somewhere in Italy.

Like him, your dead men died for

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Friden

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The 5010 computes, stores, recalls, types, and restores figurework data with the touch of a key. It can make you a one-woman billing and accounting department.

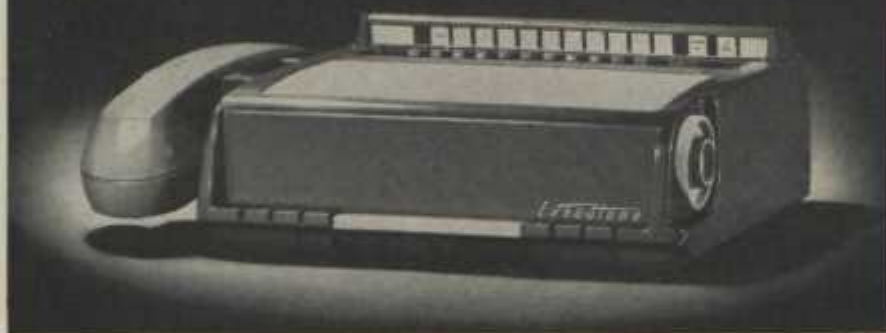
For a demonstration of the 5010, have your boss call his Friden representative. Or ask him to write Friden, Inc., San Leandro, California. Sales and service throughout the world.

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Business opinion:

something higher than America or France, for freedom.

But you can be sure no one in France has forgotten what you did during the two world wars.

Misunderstanding over policy is one thing, but friendship between people is another.

M. RACLOT
Longwy, France

Wants probe of insiders

To the Editor:

It has occurred to me that certain government insiders, such as employees of the Federal Reserve Board and Cabinet members, who have advance information about the government's fiscal intentions, would be in a golden position to profit on the stock market.

I would like to see the financial transactions involving these people and members of their immediate family over the last year.

DANIEL H. MCKINNEY
Cincinnati, Ohio

For simpler traffic signs

To the Editor:

Congratulations on "Traffic Safety Made Simple" [November].

Reprints should be broadcast to all agencies dealing with traffic. A grass-roots demand might develop for the use of these symbols.

OLIVER J. TROSTER
New York, N. Y.

For free enterprise

To the Editor:

I have been very impressed with NATION'S BUSINESS. Your efforts on behalf of free enterprise and local self-help are outstanding.

WILLIAM F. MCCORMICK
President
Sun Finance Co.
Fair Lawn, N.J.

Lost faith

To the Editor:

My faith in NATION'S BUSINESS was considerably shaken after reading in Business; A Look Ahead [November]:

"Ad agency men are saying that increasingly 'show me' advertisers are getting more and more skeptical of TV exposure ratings. They want to know better where their message is going."

Agency men and advertisers have always been skeptical and critical of TV ratings. They have been continually pressed for more and better information and the rating services have responded positively.

They have been forced to, to remain in business.

WILLIAM J. TYNAN
River Forest, Ill.

**GM**

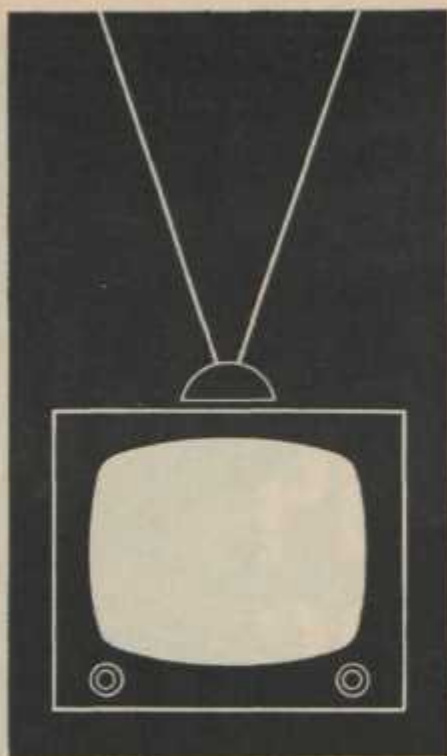
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Chicago.....663-0500	Minneapolis..332-8161
Cincinnati...381-5200	Montreal.....842-8971
Cleveland....621-8500	New York.....661-3600
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Dayton.....224-0703	San Francisco.981-5350
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Ft. Worth....274-0943	Toledo.....243-6103
Houston.....748-3880	Washington...525-6700
Windsor.....252-6892	

Executive Trends

- Pampering the jet set
- How help sizes you up
- Decoy dough for stick-up men

When in Dublin, try Bailey's

It's the oldest restaurant there, and livid with local color. A hang-out for writers, poets, politicians. Specialty of the house: Dublin prawns. Proprietor: John Ryan.

This travel tip is courtesy of TWA.

Just one of the items of information it provides jet-set executives in its handbook, "Business Travel Tips... Europe."

Airlines today offer a whole slew of extra services to help you travel quickly, comfortably and with no loss of working time. For example, they'll:

- Make hotel reservations, order a rental car, book you on air-taxi or helicopter flights, where they are available.
- Furnish writing paper, dictaphone or typewriter for use during flight, have tapes transcribed and letters sent to your hotel.
- Provide conference rooms, at or near airports, where you can do business with local corporate executives or customers.

Have to follow a special diet? American Airlines, for one, will prepare it for first-class passengers on its cross-country hops.

Keeping close watch on the market?

United Air Lines furnishes the day's high, low and closing quotes on key stocks to all passengers on its New York-Chicago executive flights.

Not all frills are gratis, or available from every airline.

Check when you make your reservations.

Worm's-eye view of executive suite

How much do your employees think you make?

Plenty, one survey shows. Sibson & Co., Inc., New York management consultants, finds that most employees don't think of the president's salary in actual figures. But they believe it's "very high."

What's their opinion of this? Most employees neither resent nor approve their boss's salary—just "hope he's worth it."

East is East—food division

Japan is the home of sashimi, sukiyaki, teriyaki and other exotic dishes.

So Japan Air Lines held an elaborate buffet to celebrate the opening of its Tokyo-New York route.

Featured on the groaning board—roast beef, ham and Swiss cheese, shrimp cocktail.

Also, jacket-clad waiters, no geisha in kimono.

Makes Rudyard Kipling look like a rotten prophet.

What to do when the robber comes

Maybe you don't have to give in. Maybe you can trap him instead.

When he says: "Hand over the cash," make sure some of it's "decoy money."

They're bills for which you keep a careful record by type, denomination, serial number, series of issue.

It'll help police trace the loot—



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3M COMPANY, DEPT. DCN-17, ST. PAUL, MINN. 55119

PROVE how the low cost 3M "107" Copier can make as fine a copy as any copier, at any price.

My name is _____ Phone _____

My business is _____ at this address _____

City _____ State _____ Zip _____

*The copy at left was made on a leading electrostatic copier. The copy at right was made on a 3M "107" Copier. Based on a comparison conducted by an independent testing laboratory.



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COMPANY
St. Paul, Minn. 55119

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And you don't have to close down to put up Marlite paneling. Easy-to-

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EXECUTIVE TRENDS

continued

and convict the stick-up artist. Keep some decoy money in the till, in money enroute to your bank and in your safe, the American Bankers Assn. recommends.

Banks used to keep a supply of \$2 bills on hand for decoy dough. But the Treasury stopped printing them over a year and a half ago. Only 550,000 left in circulation.

Know how you rate as a delegater?

If not, try this test:

- Take work home?
- Work longer than your subordinates?
- Spend time doing for others what they could do for themselves?
- Find in-basket fills up, when you're off?
- Still handle chores you had before last promotion?
- Interrupted with queries or for advice?
- Work out details others could handle?
- Like to keep a finger in every pie?
- Rushed to meet deadlines?

If your Yes answers total 0 to 1, you're doing a great job of delegation; 2 to 4, not enough; 5 or more, you need grooming on the arts and skills of delegation.

That's the advice of Bureau of Industrial Relations, University of Michigan.

Stressing a new 'R for the CPA

If they can't write, flunk 'em.

Sounds like the right way to deal with English majors. But how about accountants?

It's right for them, too, the American Institute of Certified Public Accountants believes. Recently it took a close look at the grooming CPA's get at business schools. It found a continuing need for accounting theory and practice, plus some other special skills, like knowing how accounting fits into overall decision-making process, of mastery of at least one computer system, and a heavier dose of math, statistics and probability.

But that's not all CPA's need, says Dean of Engineering Science Robert Roy, Johns Hopkins University, who directed the AICPA study.

No matter what a CPA does for a client, Dean Roy notes, he must be able to report the results, usually

MEMO TO SHIPPERS—

10 ways to save time and money
on truck shipments . . .

LET'S TRY THEM TOGETHER!



- ■ ■ 1. Check your shipment to see that it's all there. If possible, do this before you call your carrier for a pickup. See if the order is filled correctly and if the piece count matches that of the bill of lading. 2. Make out your bills of lading so that everyone can read them. Have them ready for the pickup driver. 3. Assemble each shipment into units that can be handled. Remember: your men, our driver, our terminal personnel, and the consignee (your customer) will handle each unit of every shipment several times before it comes to rest. 4. Tell your motor carrier or his dispatcher specifically what you have to ship. It makes a whale of a difference if you have only four pieces that add up to 100 pounds instead of forty pieces that add up to 10,000 pounds or more. 5. Provide wide enough dock spots so pickup and delivery trucks can maneuver in and out easily. 6. Leave yourself plenty of dock space to use as a sort or surge area when loading and unloading. 7. Help the pickup driver with head-end and sequence loading for multiple shipments. A loading manifest will help both driver and the consignee. 8. Plan and schedule all your trucking operations—inbound as well as outbound. 9. Review and analyze your company's freight handling methods periodically. Keep yours up to date. 10. Go to your shipping area and out on your dock occasionally. Watch what happens as trucks come and go. Make a mental note of bottlenecks and hitches and try to do something about them.



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EXECUTIVE TRENDS

continued

in writing. He should be able to do so clearly, grammatically and without fumbling his syntax.

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and boost your sales**

"We knock ourselves out for customers, but it doesn't boost sales," a marketing man wails.

He may be right.

"Too many services are passed out like free lollipops—that taste good, melt away and are easily duplicated by the competition," one expert asserts.

And they cost dough. Up to 22 per cent of sales—an average of four per cent—a recent survey shows.

What rule of thumb should you use when passing out services to your customers?

Try this, advises George McCleary, director of marketing, film division, Olin Mathieson Chemical Corp.:

Never add a customer service unless it's a good sales tool.

Example: One that boosts your customer's sales—and guarantees you a bigger slice of his business.

**Helpful hints—
D. C. taxi fares**

Coming to Washington soon?

Here's how you can save on taxi fares.

- Flag a cab, don't phone for one. Cabbies charge an extra 25 cents for responding to a phone call.

- If you do phone, don't keep the cabbie waiting. The first five minutes is on him; after that, every five minutes—or fraction thereof—is on you. Cost: 25 cents.

- Don't pay for the kids. Children five or younger ride free with an adult.

- If two or more ride together, you get a group rate. It's about one third less than a single rider pays.

- You can insist on riding single if you prefer that, but not during rush hours and snow emergencies, or right after federal employees have been sent home early, or at air terminals, bus depots or railroad stations.

Washington has more than 9,800 taxis, not all on the street 24 hours a day. Many drive part-time.

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PITTSBURGH CLEVELAND	12	2 hrs. 45 min.	1.80	2.05	2.40
DALLAS SAN ANTONIO	10	7 hrs. 15 min.	2.10	2.40	2.70

*Other low rates up to 100 lbs. Lot shipments, too.



One of a series of messages depicting another growing service of The Greyhound Corporation.

Even LBJ's right arm can't juggle everything

BY PETER LISAGOR

Many students of government have complained that a cardinal flaw in President Johnson's Great Society is its lack of a coherent over-all design. It gives the appearance of being thrown together like a bad piece of abstract art. Men with a sense of order or form simply shudder at the jerry-built, makeshift character of the various domestic programs.

"Let's face it," a friendly critic recently told a startled Administration official, "it's a mishmash."

The official denied this, of course, arguing that in the Bureau of the Budget there is a coordinating process at work which imparts order to the apparent chaos and ties up the dangling strands of legislation into as neat and effective a package as big government can manage in this complex age.

This was not altogether an empty defense. The Budget Bureau ranks in glamor perhaps with the Commission on International Rules of Judicial Procedure. It has no granite edifice of its own and is sprawled out in the old rococo Executive Office Building, alongside Presidential aides of every description, from national security advisers to speechwriters. In a city where Parkinson's law of a multiplying bureaucracy has attained a Roman glory, the Bureau has a ridiculously small professional staff, scarcely more than 300 men and women.

Yet, as an arm of the Presidency, subtly used but as expert as a one-two combination by Cassius Clay, the Bureau is a powerful enclave in the executive branch. Its power chiefly derives from the fact that it has no constituency, except the President, and thus operates above the bureaucratic battles with a perspective and detachment that few other agencies enjoy. A Washington visitor here to see the sights wouldn't think of asking for the location of the Budget Bureau, and yet many an agency or department head spends sleepless hours wondering how he can con a pet scheme past the Bureau's keen-eyed fiscal vigilantes.

Mr. Lisagor is the White House correspondent for The Chicago Daily News.

The expertise of budget personnel in the complicated affairs of the big departments is widely recognized, not only within the government but on the outside. Many a budget hand has gone on to six-figure salaries in private industry, and many have been taken from the Bureau to be installed in high departmental jobs. For example, Robert Wood, the under secretary of HUD, did a stint in budget, as did Thomas Morris, the assistant secretary of defense for manpower. David Bell, once

PHOTO BY: SHEL HERNDON—BLACK STAR



When he became President, LBJ ran into trouble over plan to make Dallas an inland port, via Trinity River.

a career staff man in the Bureau, later became the director before moving on to administer the Agency for International Development, and thence on to become a vice president of the Ford Foundation. Kermit Gordon, another budget director, is vice president of the Brookings Institution, and the present budget director, Charles L. Schultze, once worked on the Bureau's staff (See NATION'S BUSINESS interview with Mr. Schultze, page 42). The head of the National Aeronautics and Space Administration, James Webb, was budget director under President Truman.

How expert the Bureau is regarded can be vividly illustrated by the story of Robert S. McNamara's move when he was designated to be

TRENDS: WASHINGTON MOOD

Secretary of Defense by President-elect John F. Kennedy in late 1960. McNamara had served a stretch in the Pentagon before going on to the presidency of the Ford Motor Co., and he knew something about the inner workings of government. One day before the Kennedy Administration actually took office, McNamara appeared at the Budget Bureau unannounced and asked permission to spend some time with its Pentagon experts. It was granted, of course, and after a week of learning in effect how to run the Defense Department from a budget man's standpoint, McNamara departed with three of the Bureau's defense specialists hired on to help him in the five-sided building across the Potomac River.

A similar request of the Bureau was made by a newly elected Congressman, who was curious enough to want to know how the federal government functioned. The legislator simply knocked on the door one day and spent some time with the experts. He was especially struck by the small size of the staff, and later, after he had settled in on Capitol Hill, he wrote letters to his Congressional colleagues, asking them how many people they thought worked for the Budget Bureau. The answers ranged from 4,000 to 12,000, and the Congressman was so pleased at this betrayal of ignorance about the Bureau that he wrote what amounted to a congratulatory note to the budget director.

The Bureau, as one veteran official has described it, is "the instrument of the President. He can play it as he wishes, as a Stradivarius or a bass drum. The music can be sweet or loud or muted. It has no life of its own, so to speak."

The President also can use the Budget Bureau as a scapegoat for unpopular decisions, as a lightning rod, as a protector. The fate of the Trinity River project in Texas demonstrates how the Bureau can take the heat off a President. For most of his years as a Congressman and Senator, Lyndon B. Johnson favored the Trinity River proposal which would, with the expenditure of upwards of a billion dollars, make Dallas into an inland port of sorts. It was a grandiose scheme, Texas-size, and no Texas politician dared oppose it.

But when Mr. Johnson became President, he learned from the hardheaded Budget Bureau that the Trinity project was among five or six schemes that did not warrant the money needed to do the job. He was first astonished, and then depressed by the thought that as President, he would have to reverse a position of 30 years standing. He asked the budget people to take another look at Trinity to see if it didn't really make sense, but the answer came back negative, particularly in view of other priorities and alternatives. Whereupon, a delegation of prominent Texans was called to

Washington, and the President asked a Budget Bureau official to explain to them why he couldn't authorize the required expenditures. With the appearance of a man whose hands had been regrettably tied by a superior force, the President sat sadly among his fellow Texans as the budget man outlined his negative verdict.

Trinity isn't altogether dead, for Congress went ahead and voted a small sum to continue land studies of the project. But unless a radical change occurs in the Budget Bureau's calculations, it will be headed off at the pass.

It is often hard to believe that, in this cosmetic age in which everybody seems "on the make" in one way or another, a group of gifted men and women, intensively trained and sophisticated technicians in a variety of fields, could pursue their tasks with an acceptable anonymity. Yet the Budget Bureau personnel do just that. Except for the director, Charles Schultze, and often including him, few people outside the government (and not a great many more inside) can identify or name Bureau personnel.

As for the Bureau as a kind of central coordinator or planner of Great Society programs, it has adopted this role by default. "It gets sucked into vacuums," is the way one authority sees it. It has tried to eliminate duplications and, where possible under the law, to put the square pegs in the square holes. For example, the Interior Department had an "outdoor recreation" program, and the Department of Housing and Urban Development had an "open spaces" program involving small parks and playgrounds. Where one ended and the other began was confusing. The Bureau got the President to issue Executive Order 11237 which coordinates the two programs so that the two departments avoid a collision. Where an executive order or a memorandum of understanding between two agencies doesn't work because of legal barriers, the Bureau has moved to get the law changed in order to gain greater coherence and order in the tangled affairs of the federal bureaucracy.

But the Bureau acts more as an arbiter, referee or gadfly, than as a central planner, innovator or creator of new and broad-ranging programs. Its economics-oriented staff knows how far a federal dollar can stretch, and how many there are to be stretched. But it is not equipped to look ahead and to map out the great concepts for dealing with the problems of the nation in a unified, harmonious fashion. For all its talent and expertise, in economics and management, it is not an answer to the improvised nature of the Johnson Administration programs.

But it knows where the bureaucratic skeletons are buried. One experienced Bureau hand sums it up with the comment: "If an invasion from Mars occurred, everybody in town would flee to the hills. But the Budget Bureau would have to stay on the job to see that the transition was orderly."



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Please don't try to remove it yourself.

Foreign policy grows more far-reaching and nearsighted

BY FELIX MORLEY

Politics, it used to be said, should stop at the water's edge. But in those days the policies of an isolationist nation also stopped there. When policy became interventionist and global it was immediately apparent that politics could no longer be confined to domestic issues. To assert the contrary would be to say, in effect, that such a major undertaking as the undeclared war in Viet Nam is not a matter of political concern.

In fact, there is no subject that currently occupies the Administration more. All major domestic problems, from rising prices to declining productivity, connect more or less directly with our frustrating, costly and seemingly endless involvement in Southeast Asia. It is a subject which the incoming Congress cannot possibly evade. And there are indications that Viet Nam may become the key issue in next year's Presidential election, towards which our politics is already shaping.

While policy in Viet Nam has been a long series of escalating improvisations, all have been keyed to the objective of containing communism in an area thousands of miles from our shores. Yet toleration of a communist regime in Cuba, at our very doorstep, is now accepted. And the obvious deterioration of NATO, designed to prevent further communist gains in western Europe, arouses no apparent anxiety. So to make sense of the containment thesis one must argue that the Asiatic brand of communism is far more virulent than that affiliated with Moscow, for which there is certainly convincing evidence.

Inability to define what we mean by communism, whether Russian or Chinese, is further indication of the confusion in our foreign policy. In political terms the system is simply one of rigidly centralized government, controlling and directing all economic activity by the dictatorship of a single exclusive political party. The doctrinaire Marxist further believes that such a system can best be inaugurated by forceful confiscation of private property. But that is a matter of technique, rather than theory. Many

basic principles of communism, such as conscription, progressive taxation, wage and price controls, have been widely accepted by parliamentary means, without violence, even in the United States.

European observers assert that we are opposed to the name, rather than to the substance of communism in South Viet Nam, saying that General Ky is as much of a dictator there as is Ho Chi Minh in North Viet Nam. A difference is that, under our prompting, steps have been taken to democratize the Ky regime. It seems, however, that a continued American presence, which we say is not intended, would be essential to confirm projected reforms.

Occasionally the public gets glimpses of a constructive Asian policy more promising than one of military occupation. A cooperative Asian Development Bank is getting out of the blueprint stage. And at the Manila Conference President Johnson accepted American responsibility "to join in an expanding offensive against poverty, illiteracy and disease." Such pronouncements, however, require financial implementation by the Congress before they can be regarded as definitive.

• • •

More definite than the planning of a long-range Asiatic program is the liquidation of what was until recently a clear-cut European policy. In the year just closed a whole sequence of events has gone far to establish western Europe as a "Third Force," holding a balance between Russia and the United States. European mistrust of our involvement in Viet Nam is helping to promote this very significant change.

It is, of course, the French government under President de Gaulle that has taken the lead in downgrading NATO and seeking reconciliation with Russia. This he has done in a somewhat offensive manner, but never in a way to justify the naïve belief that "gaullism" is merely a romantic effort to restore Eighteenth Century grandeur. On the contrary the old general has had outstanding success in making France the dominant political, economic and financial force in a modernized, integrated and neutralized

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.

TRENDS: STATE OF THE NATION

Europe. Paris, not Washington, now has the leadership over there.

The vehicle of French success has been the Common Market grouping which in its 10 years of operation has all but eliminated frontiers and built a solid customs union among its six central European members. When De Gaulle, four years ago, vetoed a qualified British application to join the European Economic Community, he was accused of seeking to disrupt this institution, as well as NATO. The same was said when De Gaulle refused to unify the agricultural sections of the Common Market except on protective terms satisfactory to French farmers. It is now evident that gaullist policy was never designed to weaken this economic union, but only to secure French predominance therein.

The achievement of this objective is now emphasized by the fall of Chancellor Erhard and the acceptance of French leadership which was approved by all in opposition to him. Hope of effective American

aire communists in Peking. And it is proceeding the more rapidly because our preoccupation with Viet Nam obscures both the facts of what is happening in Europe and their tremendous implications for American industry, commerce and agriculture.

It would be an exaggeration to say that the Common Market is building barriers against American trade, while removing those which marked the line of the now disintegrating Iron Curtain. But there is certainly a tendency in both directions. It is apparent, on the one hand, in the very tough bargaining of French leadership in the Kennedy Round of tariff reduction negotiations now drawing to a close in Geneva. It is equally apparent in the rapid improvement of communications and contact which made 1966 a banner year in the value and volume of East-West trade in Europe.

• • •

If peaceful coexistence in Europe is in our interest one would expect Washington to acclaim it. If we think the development undesirable that, alternatively, should be made clear. Actually, in this important area, we are carrying water on both shoulders. President Johnson has called it desirable to "build bridges" to the communist bloc but there is little or no encouragement for the commercial relations now being actively promoted by all our NATO allies, including Canada.

So a seeming indifference to a major change in Europe goes hand in hand with a firm resolution to control the course of events in Asia. Of course a two-ocean nation must have a two-ocean policy which will not necessarily be identical in its Atlantic and Pacific aspects. There should, however, be some underlying consistency in the parts and how they currently gear with each other is very difficult to detect.

It is the constitutional responsibility of the President to direct foreign policy, through the agency of the Department of State. But it is equally the responsibility of Congress, especially the Senate, continuously to supervise and, when necessary, criticize executive conduct of our overseas relations. During the last Congress this important duty was largely ignored. Ironically, it was the opposition party whose voice was particularly muted and uncertain in this respect.

Shortly before the election the House Republican Conference did produce a helpful study examining "the Administration's revision during the past year of its explanation of American involvement in Viet Nam." From resurgent Republicanism, in the incoming Congress, more hard-hitting studies of this high caliber, and better publicity for them, should be expected. This will be the more essential if 1967 is to be marked by increasing involvement in Asia, and continued indifference to the changes taking place in Europe.

Nor is the overdue examination a matter of concern to Congress alone. As the tide is running a clarification of our confused and spendthrift foreign policy will be a must for any Presidential aspirant next year. Failure to realize this cost the Republican Party plenty in 1964. It must not happen again.



Meeting of Gen. de Gaulle and Soviet Premier Kosygin is sign of new trends in Europe that may yet haunt U.S.

support in reunification of divided Germany has now been abandoned. In its place the new government in Bonn comes out for "normalization of relations with eastern Europe." And while western Germany, unlike France, has not yet asked for the withdrawal of American troops, it is refusing to pay for more than a fraction of their cost of upkeep.

Meantime the hard-pressed British government cuts down on its already slim support of NATO and again petitions for entry into the EEC, knowing that now this means on terms acceptable to France. It is all too easy to forecast that these will be, as was the case four years ago, dissociation from dependence on the United States. To gain the advantages of the Common Market, says De Gaulle, Britain must "go European."

Thus, under cool and resolute French leadership, there is developing a formidable European combination which places good relations with communist East Europe ahead of the once universal support of American policy. The trend is, of course, encouraged by Moscow, despite the shrill outcries of the doctrin-

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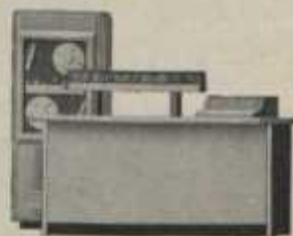
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N C R



Gap between stretch pants and miniskirts

BY ALDEN H. SYPHER

In Washington the women were talking with a society page reporter about one of their favorite subjects: pants.

The wife of a U. S. Senator said that because of her husband's line of work she wears her plum-colored evening pants only to private affairs.

One whose husband is in a less hazardous occupation posed for a photographer in red walking pants effectively accented by purple and white stripes.

"I'm not a slim woman and you ought to see how slim they make me look," said another of the black stretch pants she wears to informal parties.

"Washington just undermines you after a while," said the wife of another government worker—this one in the State Department, "and I guess I'm tired of fighting the battle. For therapy I have to get to New York or London or somewhere where individuality is part of your existence. It's so silly to have anyone make note of you because you're the only one at a party wearing evening pajamas."

New York? That's where the High School Principals Assn. insists on maintaining their own version of "the kind of safety, dress and appearance regulations that will make our students presentable, teachable and employable." And where it took a court order to convince the authorities that a girl could wear slacks (not stretch pants) to school.

The argument for that one took place last year in Saratoga Springs where the Americans defeated General Burgoyne in 1777 in one of the decisive battles against what was considered tyranny.

But the Washington women quoted here are in a considerably different age bracket than the young people under the guidance of New York principals, and are not directly concerned with what the educators call the learning, or disruptive situations. Or if they are, it is in a wholly different way.

In San Antonio a postman sprayed a dog with the

pocket instrument issued to him by the government for protection against being bitten. A few blocks along his route he responded to a woman who called to him from an automobile, and got sprayed himself.

Presumably the woman acted as an agent for the dog. The postman is suing her for medical expenses, pain and anguish he values at \$6,000.

In Orlando the police department in collaboration with the local newspapers invited female gun owners to attend firearms handling classes to develop a womanly art of self-protection. The sponsors planned three sessions. Response was so great the gun-ladies were divided into a number of classes which fire over the range three afternoons a week.

They arrived with everything from dainty handguns to fowling pieces. As long as the weapon is reasonably workable the police instructors, augmented because of the crowd by service instructors from a nearby air base, do what they can to teach the gun-women to throw hot lead in direct line with their intentions. It is called a finishing school, which it may prove to be in some instances.

The enthusiastic supporters of this do-it-yourself gunning project interpret the great response as confidence in the Orlando police department. Others interpret it as the opposite.

While other communities search for ways to make police authority more effective in the face of court decisions limiting the activities of policemen, a Yale Law School professor proposes a further check on police powers.

Charles A. Reich likes to go walking late in the evening. When he's wandering along in the dark and a policeman asks his identity, he interprets this not as the act of an alert protector, but a violation of his privacy.

Writing in the *Yale Law Journal*, Mr. Reich points out that questioning and detaining innocent people raises questions of constitutionality as well as the

Mr. Sypher, a lifelong journalist, is the former editor and publisher of NATION'S BUSINESS.

TRENDS: RIGHT OR WRONG

more general rights of privacy contained in recent Supreme Court decisions.

"The police should not be allowed to stop anyone unless something particular about him, as distinguished from the mass of people, gives cause to believe that he has committed a crime," Mr. Reich writes.

"When a person is stopped, the officer should identify himself and explain, with particularity, his reasons for stopping the person." The person being questioned should be able to refuse to answer questions or to produce identification, he added.

Other educators are, as usual, concentrating on what's wrong with children, rather than what's wrong with adults. Or education.

A new series of tests to be given kindergarten-age children will identify, when perfected and used by skilled teachers, children likely to fail when they reach the third grade.

These potential failures would attend transitional classes between kindergarten and the first grade to avoid trouble later. The fault discovered is a lack of, or underdeveloped, maturity.

Not yet worked out is a skillful technique for handling mothers when told their offspring are too immature for the first grade and must go instead to corrective classes.

Also hard at work on the problems of children has been a U. S. Senate subcommittee headed by Sen. Thomas J. Dodd of Connecticut, an expert on delinquency.

A report issued by the subcommittee contends that one out of 10 American children in the five to 17 age group shows signs of odd behavior warranting treatment.

That means about 4,650,000 children need something they get neither at home nor in school.

If many children are too immature to matriculate from sandbox to first grade at the usual age, and one out of 10 from that age to 17 needs psychiatric treatment, the question is not what's wrong with children, but what's wrong with adults.

When a 14-year-old boy is found along the street in

Today's younger generation may find it as hard to dig their wayward parents, as parents do to dig them.

PHOTO: DENNIS BRACK—BLACK STAR



Princeton, N. J., too drunk to get home, who is at fault?

It cannot be said fairly that all parents are without concern for the well-being of their children. Some who are were uncovered after the arrest of 87 boys and girls at a party held by an 18-year-old college girl in her parents' New York apartment.

They were released the next day for lack of evidence to support the narcotics and disorderly conduct charges on which they were held in jail overnight.

The parents were outraged. They said their children had not been fed during 15 hours in jail, and had not had proper sleeping and toilet facilities.

• • •

In Ireland, too, parents seem to be awakening to their responsibilities. At least to a point of demanding that the government do something about where their young spend their evenings.

Irish mods are said to engage in "slimy, slippery, sloppy" dancing, and also necking in late-night teen clubs. In some, drugs are said to be distributed in cigarettes, drinks and pills.

Many such clubs are tucked away in dimly lit cellars difficult (for authorities) to find. One cop made the scene in complete mod gear, including a dark, curly wig. He told about it in court. There's talk of closing such places—by government, not parents' action.

"It would be a crying shame if they ever did anything to the clubs," said the outraged proprietor of one in Dublin.

"We're keeping the kids off the streets."

• • •

If educators and Senate committees concerned with delinquency were to turn their attention to the maturity level of adults and work out remedial steps, they might have far less trouble with children.

New York principals, for example, could learn they can't forever tie children's appearance to their own old-fashioned ideas about education.

They might even learn that a boy with shoulder-length hair may have found in it the only personal distinction he's achieved in life, and that he'll fight to save it (often with help from the Civil Liberties Union) until he gets tired of washing or scratching.

Or that miniskirts or pants may be a better sign of progress than a united front organization of school principals that tries in effect to teach children that the slacks their mothers wear somehow are immoral, at least on them.

With enough adult education among the electorate the Senator's wife should be able to wear her plum-colored pants anywhere she chooses. With confidence that the President of the United States and his No. 1 Cabinet officer have modern views, the State Department wife need never again go to London to find compatibility with her individuality.

The battle at Saratoga is long over, but until these things come about it will not have been won, with particularity.

b. Columbus, O. 1922
 B. S. 1943
 M. D. 1947
 Amer. Coll. Surgs. 1953
 Assoc. prof. surgery 1956
 Asst. prof. surgery 1959
 Private practice, Chi. . . . 1963
 CADILLAC 1967



CADILLAC—a logical step in any success story

For years Cadillac has been the overwhelming luxury car choice of successful professional and businessmen—men who recognize quality and value and interpret it in terms of sound investment.

Ownership of a Cadillac provides a sense of satisfaction matched by no other car . . . the reward of owning the finest that motoring has to offer.

Never has this been as true as it is for 1967. Cadillac's completely new styling is complemented by smoother, quieter, more agile per-

formance. Its comforts are more luxurious than ever. And, as you would expect, its safety features are unsurpassed.

With its famed long life and high resale value, Cadillac represents the world's soundest automobile investment—from both a personal and a business standpoint. Your authorized dealer stands ready to show you how well a Cadillac accompanies accomplishment.



Cadillac Motor Car Division

MARK OF EXCELLENCE

Surprisingly New  *Superbly Cadillac*

This big blue and white fleet has been all-Dodge since 1928.

For obvious reasons . . .

They have a friend at the factory. But so do you.

A friend who gives you special attention.

The factory figured almost everybody could use a little special attention now and then.

So, late in 1962, they developed a unique 5-year/50,000-mile engine and drive train warranty.*

And offered it on every truck they built.

At first, buyers were skeptical. Competitors laughed.

Since then, Dodge Truck sales have doubled. Our truck owners are smiling.

And our competitors have created 5-year/50,000-mile warranties of their own.

Frankly, some of them are almost as good as the original.



Dodge Builds Tough Trucks

DODGE DIVISION  **CHRYSLER**
MOTORS CORPORATION

*HERE'S HOW THIS WARRANTY COVERAGE PROTECTS YOU: Chrysler Corporation warrants for 5 years or 50,000 miles or 1500 hours of operation, whichever comes first, against defects in materials and workmanship and will replace or repair at an authorized Dodge Truck Dealer's (or other Dodge, Plymouth or Chrysler Dealer's) place of business gasoline and Perkins diesel engines (i.e., block, heads, and internal parts), intake manifold, water pump, flywheel, flywheel housing, clutch housing, torque converter, transmission (i.e., case and internal parts, excluding manual clutch), transfer case and all internal parts, drive shafts, center bearings, universal joints, driving axles and differentials, and drive wheel bearings of its new Dodge trucks, provided the owner has (1) the engine oil changed and universal joints (except sealed-type) lubricated and the oil-bath-type carburetor air filter cleaned every 3 months or 4000 miles (every 2 months or 2000 miles on models 400 through 1000), whichever comes first, (2) the engine oil filter replaced and dry-type carburetor air filter cleaned every second oil change, and dry-type carburetor air filter element replaced every 24,000 miles, (3) the crankcase ventilation system cleaned and serviced every 4000 miles, and (4) the transmission, transfer case and driving axle lubricants changed every 30,000 miles (every 20,000 miles on models 400 through 1000). The foregoing services must be performed more often when reasonably required due to severe dust or regular "stop-and-go" operation. Every 6 months the owner must furnish to such a Dealer evidence of performance of the required service and request the Dealer to certify (1) receipt of such evidence and (2) the truck's then current mileage.

HOW BUSINESS EMPLOYS THE “UNEMPLOYABLE”

Companies—large and small—are bringing new worth to the lives of “disadvantaged”

There's something new and important in the life of Jim Gonzales, a heavy-set, soft-spoken young man with a Spanish accent.

He notices this special feeling when he arrives at work, opens his kit and gazes upon his own set of tools. It comes when his hands command a drill that shapes metal into a product he knows people are going to pay for.

It's there also when he chats with journeymen mechanics from whom he expects to learn so much in the months ahead.

It is a feeling that more and more persons with Jim's so-called “disadvantaged” background are getting to know for the first time. It's called pride in work.

Jim never had that feeling during his two yearlong stints in the federal government's Job Corps—once in New York and once in Michigan. In both places he was paid for supposedly learning about auto mechanics. “It was like some charity,” Jim recalls.

After giving up on the Job Corps, Jim wandered across the country, searching for . . . well, he wasn't quite sure.

In Los Angeles he heard about Monogram Industries, Inc., an organization someone said would “hire anybody.”

Jim was surprised to learn that Monogram was not a government project. It was instead, a money-making manufacturing firm that wanted Jim for solid business reasons.

Monogram, which hired Jim for its on-the-job training program, is no different from hundreds of firms all over the country that have taken it upon themselves to do something about the high unemployment among unskilled persons in the midst of a tight labor market.

These private firms are quietly, but successfully, opening job opportunities to tens of thousands of “unemployables.” Meanwhile, expensive federal manpower programs, promoted with thunderous bureau-

How business employs the "unemployable"

continued

cratic ballyhoo, have produced a mere trickle in results.

Why are private companies spending so much time and money on these projects? Martin Stone, Monogram's bustling 38-year-old president, explains that it is partly due to the same motivation businessmen have when they contribute to community chests. Such programs reduce welfare rolls and provide a source of labor.

Mr. Stone says his training program has given Monogram a stable and continuing force of sheet metalworkers while other plants in the area are desperately seeking them.

Mr. Stone started his 10-month training cycles in the summer of 1965.

The program was specifically designed for men who had no previous job skills.

Trainees start at \$1.75 an hour. After 90 days of training, their wage jumps to \$2.15. This continues until they make the regular rates of the trained sheet metalworker. The once unemployables are thus built right into Monogram's regular work force.

Mr. Stone purposely sought out men with limited education from many racial and ethnic backgrounds to fill his trainee lists. The first group consisted of two Samoans who spoke no English, one Japanese, 10 Mexican-Americans, six
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Florentze Veron, above, spoke no English and had no experience in metal work, but he was hired into the trainee program at Monogram Industries. Below, Monogram's president Martin Stone (in jacket) discusses the program with one of his managers, Michael Tarrats.



WE CAN GET ANYBODY A JOB

Government agencies daily hand out taxpayers' money to compensate the country's unemployed, a good chunk of whom could get productive jobs tomorrow if they had to.

The editors of *NATION'S BUSINESS* guarantee that there is a job available for every person in this country who is willing and able to work.

This claim is backed by the 1,500-member National Employment Assn., the country-wide organization for private employment agencies.

"We can find a job for any person who is able and willing to work," states A.G. Hayes, NEA's president. "By able we mean any person of integrity who is physically capable of working. By willing we mean any person who has enough desire to work that he will, if necessary, take some training, move to another location and settle for a job reasonably consistent with his qualifications."

While unfilled job openings in St. Louis, for instance, have increased by one third over the past year, the number of job applications is down one fifth.

"And most applicants are people who already have jobs—people looking for better jobs," notes John E. Harmon, executive vice president of NEA.

"Every vocational school has a waiting list of employers who want

to hire the graduates. In one vocational school in Los Angeles there are more than nine employers on the list per student."

Although opportunities with private companies are replete for on-the-job training for uneducated, unskilled persons who don't even need to speak English, the government is advertising for people to take taxpayers' money for attending government job-training schools, complains Max Mosner, a partner of Colony-Tilly Employment Agency, Inc., in New York City.

"The government has made a tremendous mistake in taking initiative away from people," he adds. "Everybody now wants to start at the top. They don't believe that some of the best chefs once were dishwashers."

He notes that last November the New York City Neighborhood Youth Corps received government grants totaling \$10.5 million to provide jobs for 3,650 youths between 16 and 22 years old. The jobs paid \$1.25 an hour in public or private non-profit organizations.

"That comes to almost \$2,900 a placement," Mr. Mosner says. "If they'd come to us, we'd get the same people better paying jobs for only \$21.50 a placement."

"There is too much fear today of good hard work, of getting the hands dirty, of working by day and

studying for something better by night," observes Robert O. Snelling Sr., president of the nationwide employment firm, Snelling and Snelling, Inc.

"The Bill of Rights offers no protection of the ego. It gives us the freedom of the pursuit of happiness. It doesn't guarantee that society will bring you a happiness package and lay it in your lap. You've got to do your own pursuing."

Mr. Snelling has little truck with many people who think they are too "disadvantaged" to work. His firm recently put a totally blind woman to work at a salary of \$9,500 and a totally deaf man on a good job in an aircraft plant.

It also got a bookkeeping job for a man permanently confined to a wheelchair.

Dr. Simon Ramo, vice chairman of the board of TRW, Inc., of Cleveland, Ohio, sums up the problem of unemployed who won't work this way: "It's not socially acceptable to do unskilled work any more. It is much more socially acceptable to do nothing at all."

So *NATION'S BUSINESS*, with the support of the nation's private employment agencies, throws out the challenge: We can get anybody a job who is willing and able to work. Write the Editor, *NATION'S BUSINESS*, 1615 H St. N.W., Washington, D.C., 20006.

What's happening

Latest Nation's Business outlook survey of top executives all across the nation

Businessmen are betting 1967 will be another good year.

Although uncertainties abound and optimism is tempered, this is the main message from industrial, commercial and financial executives who answered a NATION'S BUSINESS Outlook Survey of 1,200 business leaders. Those responding range from owners of businesses with annual sales of \$100,000 to chairmen and presidents of America's biggest corporations.

Eighty-five per cent expect business this year will either pause for a breath at its present lofty level or continue to rise. Only 15 per cent predict a downturn.

The uncertainties they foresee are both foreign and domestic. Most stem from Viet Nam and the unknown demands it will make on this country's economic and physical resources in the year ahead. Other uncertainties hang over the domestic spending plans of a President who sees his popularity slipping.

But businessmen generally appear more optimistic now than they were just three months ago. Then, only 30 per cent of the executives responding to a similar but smaller NATION'S BUSINESS survey predicted business would improve in 1967. Now the figure is 41 per cent.

Forty-four per cent now expect business will remain about the same as last year, compared with 46 per cent three months ago. And only 15 per cent expect a decline, as against 20 per cent earlier. Three months ago, four per cent of those responding offered no prediction.

Businessmen also were asked about sales, profits and prices, and the dominant reply was "higher."

Many of the executives predicting that business generally will improve this year, as does Harlee Branch, Jr., president of The Southern Co., the sprawling Atlanta-based electric utility system, say that growth "will be at a slower rate than in the last several years." Many warn that inflation will be very much with us. "I don't think it will be solved this

year," comments Gerald H. Trautman, president of The Greyhound Corp.

William P. Gwinn, president of United Aircraft Corp., thinks inflationary pressures "might get worse in 1967." Paul C. Cabot, chairman of the big State Street Investment Corp. of Boston, flatly declares they "will get worse."

Businessmen responding to NATION'S BUSINESS outlook surveys over the past 11 years have correctly anticipated such economic developments as the recession that began in 1957 and the boom that started nearly six years ago. Replies to the current survey came in from nearly 30 per cent of the executives polled, including top executives of some of the nation's best-known companies and members of the prestigious Business Council.

Plenty of clouds are adrift on the economic horizon, and both the optimists and the pessimists note them. Inflation and the war in Viet Nam are biggest and darkest. Some dread a combination of inflation and recession. Many anticipate a squeeze on profits as labor demands fatter and fatter contracts in the negotiations season ahead. Many predict money will stay tight and many are deeply concerned that federal spending and control will continue to snowball.

Businessmen were asked: "In your opinion, what is the biggest problem facing the nation on the economic front, and do you think it will be solved or get worse in 1967?" Here are some of the written responses:

Headaches ahead

John S. Fangboner, president of The National City Bank of Cleveland, thinks business generally will improve this year, but "Viet Nam is our Number One economic as well as political problem. It has revived inflation, worsened our basic balance of payments position, provoked excesses in inventories and capital expenditures and worst of all destroyed human and material resources. All of us pray it is resolved at the earliest possible moment."

To Charles J. Zimmerman, president of Connecti-

to the boom



Michael Haider, chairman of Standard Oil Co. (N.J.), sees business rising, but he expects inflation will continue to be the economy's big problem. Price rises may be smaller, unless the Viet Nam build-up increases greatly.



Business will level off in the first half of the year, predicts Alfred Perlman, president of the New York Central System. He thinks the railroad's profit will slip due to higher union wage demands.



Harlee Branch Jr., president of The Southern Co., believes national problems may worsen before they improve; he lists racial tensions, a breakdown in law enforcement, unjustified expansion of federal spending.

Brakes on the boom *continued*

cut Mutual Life Insurance Co., the biggest problem will be "to steer the economy between the Scylla of inflation and the Charybdis of recession. I think we will have more inflation in 1967, followed after Viet Nam by a recession." He believes business generally will improve this year, but that a short, mild "economic readjustment" may begin late in the year.

The problem will be to "keep reasonable balance between overheating caused chiefly by excessive federal spending and wage-salary increases, on the one hand, and cooling in increasing sectors of the private economy, on the other," says Walter E. Hoadley, senior vice president and chief economist of Bank of America National Trust and Savings Assn., the world's largest bank. "This will be a battle all year," he predicts.

The chairman of a large transportation company who asked not to be quoted by name feels the Johnson Administration must accept a challenge posed by Federal Reserve Board Chairman William McChesney Martin, Jr., to make a clear choice soon between "guns" and "butter." He hopes new Republican strength in Congress will alleviate the problem. He expects business to remain at about last year's level.

B. F. Goodrich Co. President J. W. Keener believes the biggest problem is the "continuing deficit in our balance of payments, which could be solved by government restraint in foreign spending but which won't be until we come up against economic problems similar to those which forced the British against the wall." Business generally will improve this year, Mr. Keener predicts.

The chairman of one of America's biggest businesses—who also asked not to be identified—opines tersely that the biggest problem is the "fiscal responsibility of government." And he sees business in general and that of his own company in particular falling off in 1967.

James S. Kemper, Jr., president of the Kemper Insurance Group, is concerned about "excessive spending on badly conceived and poorly administered 'Great Society' programs." Mr. Kemper predicts increased business for Kemper Group companies, but he thinks the economy generally will stay around last year's level.

As J. W. Crosby, board chairman of Thiokol Chemical Corp., sees it, the economy's biggest problem can be spelled with five

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Viet Nam is the nation's biggest economic as well as political problem, comments John S. Fangboner, National City Bank of Cleveland president. He sees business rising this year over last year.



J. W. Crosby, chairman of Thiokol Chemical Corp., predicts labor will be the economy's biggest trouble spot this year. He wants the Congress to consider compulsory arbitration to curb union power.



George E. Beggs, Jr., Leeds & Northrup Co. president, expects business will rise. But an imbalance in U.S. international payments and inflation are problems we will be facing for many years to come.



United Aircraft Corp. President W. P. Gwinn thinks inflationary pressures might worsen in 1967. But he expects higher sales and profits for his company as orders for jet engines keep flowing in.



The choice could be between mild economic adjustment late this year or early next, and a steeper drop in the pace of business later, warns Connecticut Mutual Life President C. J. Zimmerman.



Rayonier, Inc., President R. F. Erickson sees business generally staying around last year's level. But the company's profit probably will decline, partly because of expected higher wage costs.

Art Buchwald's fearless



forecast for 1967



There are only two people in Washington who can predict what the future holds for this country and the world. One is famed clairvoyant Jeane Dixon and the other is Art Buchwald, the columnist and author of "Son of the Great Society."

Mr. Buchwald swears he was kidnapped at a very early age by a band of gypsies and was taught all the forbidden secrets of fortune-telling. He has used this crystal-gazing talent to great advantage and the editors of NATION'S BUSINESS were able to persuade him to share his predictions with its readers.

If there are any doubts about his ability to predict the future, we remind our readers that it was Mr. Buchwald who predicted the Supreme Court Justices would wear topless robes in 1966.

Here is his fearless forecast for 1967:

Bobby's future

I predict that Bobby Kennedy will quit politics in 1967 and go to work in the family business.

Bobby has done everything in politics he set out to do, and there is no other office he could possibly be interested in after achieving his lifelong dream of being a junior Senator from New York.

Flation fears

I predict that there will be neither inflation nor deflation in the coming year. The country's biggest

problem will be flation. No one will be prepared for flation and drastic steps will be taken by the government to control it.

In order to ward off flation a tax increase might be necessary. At the same time flation could be licked if the bank rates are increased.

But no matter what happens, flation will have to be dealt with before it's too late.

In the red

I predict that credit cards will be abolished in 1967, just as cash was abolished in 1966.

At birth each person will have a number tattooed on the side of his palm, which will be tied in to a blood vessel. Everytime he buys something, he will just press his palm onto the credit slip.

If someone is a bad risk, he will be injected with a coagulant which will dry up the blood vessel.

TV tiff

I predict that one evening in 1967 Chet Huntley will forget to say "Good night, David" and Mr. Brinkley will be so angered he'll ask for his own news show, thus breaking up the most famous news combination in the world.

Programed pro ball

I predict that computers will be so advanced in '67 that all football games will be decided in advance

by the computers of VPA and when you turn on your set just before kickoff, the announcer will tell you who won and by what score.

Therefore no one will have to waste three hours watching a stupid football game.

Guns or butter

I predict that 1967 will be another banner year for Americans to have both guns and butter. There was a time when we had too much butter, but gun production has caught up with butter and now we can all put butter on our guns without hurting the economy.

Saucer sightings

I predict that five million more people will see flying saucers in 1967. Of the 456,789 sightings the Air Force will be unable to account for 34 of them, which will make flying saucer buffs more determined than ever to prove that there are green people out there.

The best selling book of the year will be "The Flying Saucer Cookbook" made up of the favorite recipes of flying saucer captains from outer space.

New union demands

I predict that unions will face a backlash from their members for demanding four-day workweeks. Many union men discovered in 1966 they would rather be working

(continued on page 56)

INSIDE VIEW OF THE NEW BUDGET

Predictions of future spending and planning techniques from the federal budget director

The President proudly will send Congress this month what he claims is a barebones budget.

Many in Congress will promptly insist that it is laden with fat.

The shape of the budget is largely in the eyes of the beholder. Certainly the Administration has been cutting back inflationary outlays. But the spending plans for the upcoming fiscal year still will be the most grandiose yet.

Whatever the outcome of the latest battle of the budget, at least the budget will be the first one to use a new businesslike cost analysis system to arrive at its figures.

NATION'S BUSINESS interviewed Budget Director Charles L. Schultze to find out about the new system and to bring you an insider's look at the new budget, directions of future spending and how these multibillion dollar decisions are made.

Mr. Schultze also implies that the new budget will be a restraining influence on the economy.

The interview follows:

Mr. Schultze, the budget for the

coming fiscal year, fiscal 1968, is the first drafted under the new planning-programming-budgeting system. Correct?

Yes. As you know, Secretary McNamara has been using PPBS, as we call it, since the fiscal 1962 budget. But for the rest of the government, this will be the first year.

What are the biggest failings of the past that this system is intended to correct?

Essentially three. First, a budget is really a means of allocating resources to specific objectives.

In the past, too much of our budgeting has been by organizational categories—within a department, it's been by bureaus, subbureaus—or by the kinds of things we buy—equipment versus construction versus salaries.

The purpose of the Defense Department is not simply to buy airplanes, or to operate an army; rather, it is to provide national security, and within that are such as-



pects as strategic and retaliatory forces, continental defense, ground forces, airlift and sealfit.

So Secretary McNamara reshaped his budget to fit these over-all goals.

Budgeting that way makes for better decisions.

The second problem is to get continuing, in-depth analysis of agency objectives and the most efficient means of achieving them.

Instead of a crash effort one month before the budget is due, you need to examine the effectiveness of programs year around.

The third problem with the old kind of budgeting is that it seldom offered alternatives. Very often the only choice was Yes or No.

With PPBS, we look at the objective, the ways of attaining it, the advantages and disadvantages of each alternative, both in terms of lowest cost and highest effectiveness. That is why, by the way, a lot of these analyses are called "cost-effectiveness" studies.

Isn't multi-year planning and programming another important ingredient?

Yes, in fact it is important enough to throw in as a fourth category. For example, if you decide to build a research facility, very often a decision is made simply on the basis of the cost of building.

As a practical matter, what the government really commits itself to is not only construction cost but operating cost over future years.

How is this multi-year planning going to affect Congress, which appropriates from year to year?

Well, this is a sticky question.

We want to do long-range planning and we want to be cognizant of full costs. But we want to be careful about committing ourselves this year to the precise level of a program over the next three or four years, when circumstances may well change to warrant a different level.

So we may never see multiple-year projections in the budget?

Well, "never" is an awfully strong word. But I don't see it in the foreseeable future.

Looking ahead, what do you think will be some of the most important national needs 10 years from now?

I think they fall in five major areas. Perhaps the primary one is the very complex problem of the American city and its future. The Administration, in its Demonstration Cities Act, committed itself to a long-run solution.

The second area is education; this is something in which the federal government has taken giant steps in the past several years.

Third is the whole problem of environmental pollution—air, water, pesticides, noise.

And fourth, I think, is health. Not just in terms of medicare, but the whole problem of delivery of health services, and the manpower shortage in all sorts of allied technical skills in the health area.

And finally the problem of poverty. The attack on poverty is, of course, closely related to the other areas—cities, education, health.

Mr. Schultze, is inflation somehow factored into the fiscal 1968 budget that will be made public this month?

No. This may be telling tales out of school, but one of the rules of thumb the Budget Bureau uses to try to shave government costs is that we don't allow a federal agency to estimate its program costs on the basis of anticipated higher prices.

What happens in most cases is we let them pick up last year's price inflation. We won't let them build on anticipated increases, though.

This forces them to do some searching around, some shaving and cutting to absorb the higher costs.

You are an economist, and taught economics...

Way back in the prehistoric past.

Well, do you see the budget becoming increasingly an economic instrument?

Yes, in one sense I do. The budget, by its very nature, is always an economic instrument. The real question is whether those who put

(continued on page 66)



PHOTO: COVER IMAGE - BUREAU YEAR

UNITING FOR STRENGTH

A conversation with George H. Love, who built Consolidation Coal Co. from scratch and steered Chrysler Corp. along the road to bigger profits

A smile spreads across George Love's ruddy face when you ask him when he's going to take life easy.

Feet propped on his desk and swivel chair tipped back he responds, "I've been taking it easy for the past 30 years."

"Taking it easy," to George Love, has meant starting with a single, unprofitable coal operation and expanding, automating and innovating until it is now the nation's largest and most profitable one. It has meant bringing sustained peace to what used to be one of labor's bloodiest battlegrounds—the coal mines.

It has meant taking over direction of a giant automobile company that seemed headed for a smashup and then rebuilding that company—Chrysler—into the nation's fifth largest industrial enterprise.

It has meant serving on the boards of some of America's largest corporations and advising U. S. Presidents.

Mr. Love's answer that he has been coasting all these years is illustrative of his personality—he's low key, affable, relaxed and witty.

After a couple of years in the investment business following graduation from Princeton and Harvard's Graduate School of Business, Mr. Love began to erect what has become the empire of Consolidation Coal Co.—a company that in the face of burgeoning demand for gas and electricity never had an unprofitable year since Mr. Love took command.

Now 66, Mr. Love is Consolidation's chairman and chief executive officer and recently brought about Consolidation's merger into Continental Oil Co., thus melding a nearly total energy company—gas, coal and oil.

Mr. Love relinquished one of the many hats he wore the first of the year when he retired as chairman of the board of Chrysler Corp., a post he took in 1961 when the now healthy corporation was in trouble. But Mr. Love is keeping his hand in Chrysler by continuing to serve on its board and chair its executive committee.

Mr. Love is also a director of Union Carbide Corp., General Electric Co., Hanna Mining Co., Continental Oil Co. and Mellon National Bank & Trust Co. He's a member of the Business



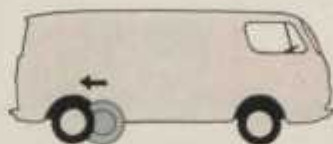
**You'll get a lot more out of this
NEW CHEVY-VAN 108**



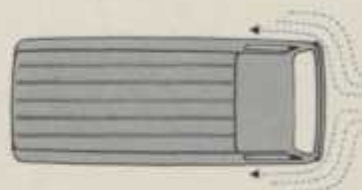
because you can get a lot more into it.



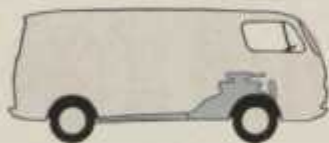
MORE LOAD SPACE—With 256 cubic feet inside, the new Chevy-Van 108 gives you room to haul a lot more of anything. Pick from $\frac{1}{2}$ - and $\frac{3}{4}$ -ton versions, with payload capacities up to 2,775 lbs.



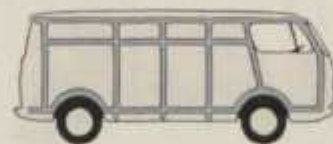
MORE WHEELBASE—Rear wheels have been moved back to accommodate new longer body and give good weight distribution. It's 18" longer—with 18" more wheelbase to support those bigger, heavier loads easily, like a tough truck should!



NEW STYLING—Handsome new front-end styling—with aerodynamic design—adds to performance by minimizing wind resistance. Bigger contoured windshield gives better visibility.



MORE POWER, V8 OR 6—V8 models are powered by the hustling Chevrolet 175-hp 283 V8. And for '67, the economical 230-cubic-inch Six is standard in 6-cylinder models. Or you can specify a big 250 Six!



STURDY CONSTRUCTION—Body and frame are unitized, for strength, with tough all-welded construction. Underbody is specially treated against rust and corrosion. Tapered-leaf springs smooth the ride, help protect cargoes.



EASY LOADING—Doors are high and wide, loading heights are low, for easy cargo handling. Big curb-side double doors (standard on Chevy-Van 108) provide an opening more than four feet square.

Also: Newly styled Chevy-Van 90... and Sportvans in two sizes.

If you prefer a smaller van, you can get a Chevy-Van 90 with 209 cubic feet of cargo area. It offers the same V8 or 6 power choice, rugged construction and aerodynamic styling as the big 108. Both sizes feature a low price tag—and both can be had in Sportvan versions that are ideal for both work and enjoyable family travel.

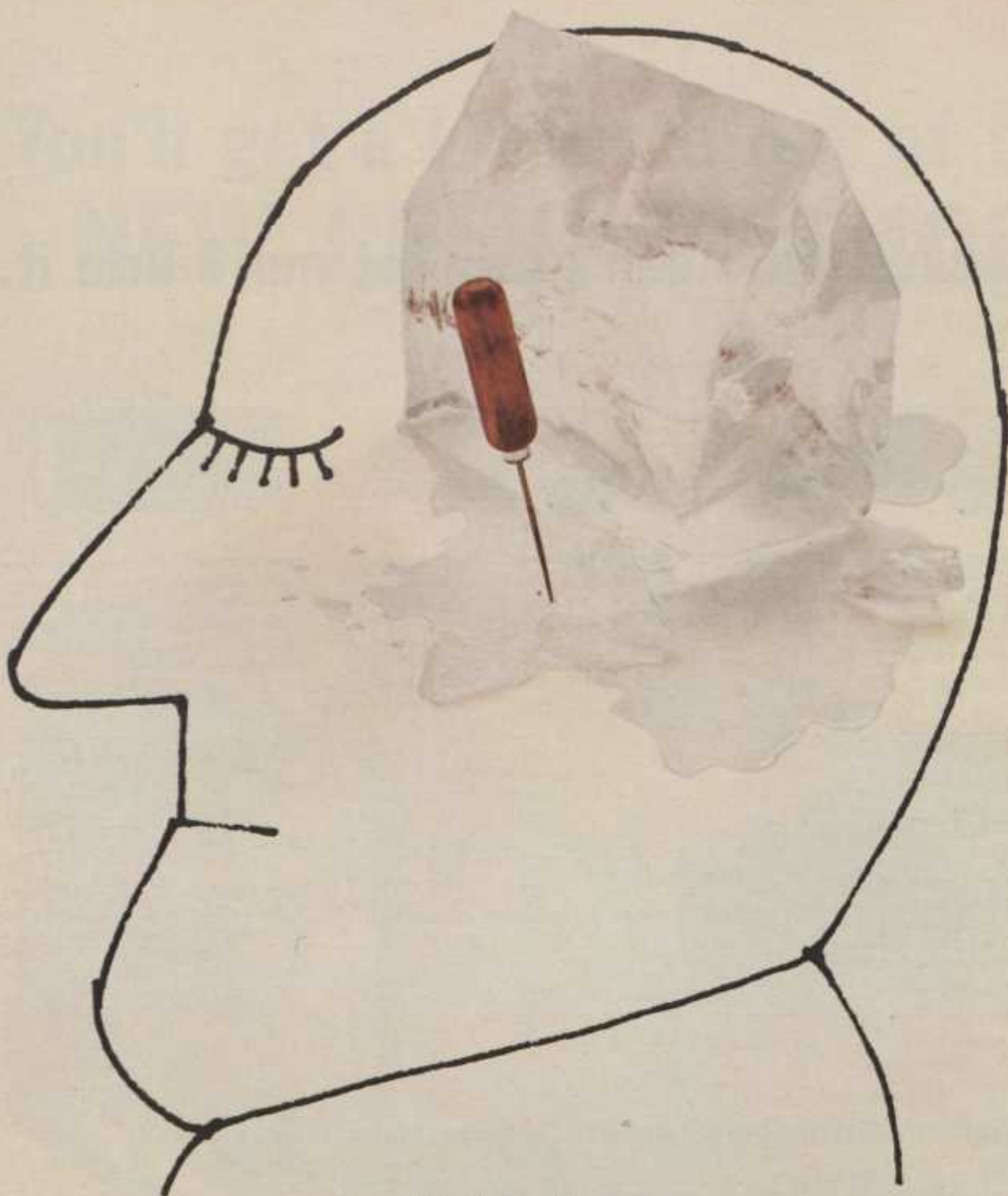
Check into any one of 'em, new Chevy-Van 108, Chevy-Van 90 or Sportvan, at your Chevrolet dealer's... Chevrolet Division of General Motors, Detroit, Michigan.



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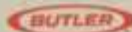
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ART BUCHWALD'S FEARLESS FORECAST

(continued from page 41)

than spend three days with their families, and negotiations will be instigated to demand longer work-weeks for employees so they don't have to stay home.

Cancer's cause

I predict that scientists will discover that the advertising, rather than the cigarettes, causes cancer. They will find that people get so irritated at all the claims made for different brands of cigarettes on television, and in newspapers and magazines, that they tend to develop rashes and unsightly skin conditions.

Safety laws

I predict that Ralph Nader will discover that pedestrians are unsafe in 1967. He will demand safety legislation before pedestrians are allowed on the streets.

The pedestrian lobby will attack him for trying to destroy their industry, and he will be followed by private detectives everytime he crosses against the light.

Stock market outlook

I predict that the stock market will be both bearish and bullish at the same time.

The bears will mate with the bulls and their offspring are the ones who will make the big money in 1967.

Guaranteed income

I predict that legislation will be asked to give poor people a guaranteed income of \$3,000 a year. In order to qualify for this income the poor people will have to fill out quarterly federal income tax forms. The rich won't protest because anyone who has to fill out four federal income tax forms a year has honestly earned his \$3,000.

Viet Nam's future

I predict that in 1967 Dean Rusk will say 4,567 times that we are willing to meet with Hanoi anytime, anywhere, about anything, and the Hanoi government will say 4,567 times that it's a trick.

I also predict that every time a high government official announces that we will need no more troops in Viet Nam, another government official will announce we're sending in 100,000 more.

I also predict Administration spokesmen will announce we're winning the war in Viet Nam and now

it's just a question of winning the people. The Gross National Black Market Production in Saigon will be increased by 34 per cent but AID officials will say the reports have been exaggerated.

To finance the war

I predict that someone (probably me) will suggest that the Viet Nam war be taken over by the Ford Foundation because the foundation's president, McGeorge Bundy, was one of the architects of the war, and it should really be his problem.

Aid innovations

I predict that we'll run out of emerging nations to help in 1967 and will have to invent some new countries, in order to justify our large foreign aid commitments.

I also predict the Soviet Union will ask us to help them build Coca-Cola bottling plants, and in order to show we are trying to be friends, we will. Coca-Cola will then be boycotted by the John Birch Society.

De Gaulle's gall

I predict that President de Gaulle will close all American snack bars in Paris in 1967, and refuse to cash American Express Travelers' Checks.

He will explain in his semi-annual press conference that France will never be a major power unless it has its own snack bars and issues its own French travelers' checks.

Beauty's fate

I predict that Lady Bird will plant 34,567 trees and 476,908 rose bushes in 1967; but most of them will die because she never came back to water them.

A new leader

I predict that George Hamilton will join the army as a private and will then be sent to Viet Nam to replace Gen. Westmoreland.

Bugs bunnies

I predict that the Equal Employment Opportunity Commission will get in serious trouble in 1967 when men will demand to be bunnies in Playboy Clubs, and Hugh Hefner will refuse to give in.

Lyndon's gall

I predict that President Johnson (continued on page 65)

Buy your next fleet car for Lester M. Pitt.



Your next fleet car for Lester M. Pitt? Could be. 'Cause when you're through with fleet cars, there are people like Lester M. Pitt waiting—sometimes in line—to buy them. They are all kinds of people, but one thing for sure: It takes more than a silver-tongued sales pitch to sway the Lester Pitts of the world.

It takes a Plymouth. A strong, long-lasting car whose looks aren't just a passing fancy.

Lester—a former cook and, today, a professional car driver—now owns a '64 ex-fleet Plymouth. It's in great shape. And to quote him, "It delivers

20 mpg in city traffic." Also, Lester still has the original 5-year/50,000-mile warranty* going for him.

But that's not too unusual. You'll still find 1963 Plymouths with this warranty† in force. That was the year we started the whole thing. And for 1967, we've pulled a bit of one-upmanship on ourselves with a new 2-year/24,000-mile warranty* on the entire car, and we've extended the 5/50 protection to include steering gear, pump and linkage, suspension and wheels, as well as the power train.

A more comprehensive warranty is just one of the things that make Plymouth '67 a great buy for fleets. Good resale value is another. Plus Fury's exceptional luxury and performance in the low price field. Consider that Fury III pictured below. It's got what it takes to win you over this year.

•Plymouth's new Customer Care Warranty protects you: Chrysler Corporation warrants against defects in materials and workmanship and will repair or replace without charge for parts or labor at any Plymouth, Imperial, Chrysler or Dodge Authorized Dealer's place of business, the engine block, head and internal parts, intake manifold, water pump, transmission case and internal parts (except manual clutch), torque converter, drive shaft, universal joints, rear axle and differential, suspension system (except shock absorbers), steering gear and linkage system, wheels and wheel bearings of its 1967 automobiles for 5 years or 50,000 miles and all other parts for 24 months or 24,000 miles, whichever occurs first, excluding only tires, normal maintenance replacement of spark plugs, condensers, ignition points, filters, brake and clutch lining, etc., and normal deterioration of hoses, belts, upholstery, soft trim and appearance items. Maintenance services required under the warranty are: change oil every 3 months or 4,000 miles, whichever occurs first, and replace oil filter every second oil change; clean carburetor air filter every 6 months and replace every 2 years; lubricate front suspension ball joints and tie rod ends at 3 years or 36,000 miles, whichever occurs first; and every 6 months have a Plymouth, Imperial, Chrysler or Dodge Dealer certify (i) receipt of evidence of performance of the required services and (ii) the car's then current mileage. †The above 5-year/50,000-mile warranty on 1963 automobiles, issued by the dealer, did not include the intake manifold or water pump.



Fury III 4 dr. Hardtop

'67 Plymouth Fury

PLYMOUTH DIVISION



CHRYSLER
MOTORS CORPORATION

BUSINESSMEN:

It's called "Crime Stop" in Chicago and "Crime Alert" in Kansas City.

But by whatever name, the struggle for law and order is taking on a new dimension in cities all over the nation as businessmen join in organized programs to cooperate with their police.

"This growing interest," says J. Edgar Hoover, director of the Federal Bureau of Investigation, "is most encouraging."

The police chief of Indianapolis, Ind., Noel A. Jones, asserts: "We've got to have this backing. Without it, fighting crime is just a hold-the-line operation."

What happens when businessmen and other citizens do get involved is shown with dramatic results in Chicago: Over 7,000 arrests as a result of the Crime Stop campaign, largely spearheaded by the missionary zeal of more than 350 business firms through appeals to their workers to enlist as auxiliary eyes and ears of the man on the beat.

More than 800,000 persons have been given handy wallet cards, telling them what to do when they see something suspicious. A special telephone number to call is listed on the card. These citizens know that under a revamped alert system, a cruising squad car can be on the scene in some high crime areas in as little time as 30 seconds after a report.

In Kansas City, where Crime Alert, a similar system, operates, Lt. Frank Kohler estimates a half-million pieces of literature have been given employees by business firms and other organizations.

In some cities secret meetings are held between police officials and business leaders to lay plans for avoiding riots or stopping them if they start. Elsewhere business quietly contributes money for special police activities.

To police in city after city, this renewed backing has meant a lift in morale. More important, business-civic efforts often have resulted in passage of legislation that will make police work more effective, if not easier; push pay scales up; provide more modern equipment and training.

The statistics of crime, as gathered by the FBI, are alarming. In 1965, some 2.8 million serious crimes were reported, a six per cent increase over the previous year.

PHOTO: JACQUES LOWE

PARTNERS IN CRIMEBUSTING



PHOTO: JAMES BARNHART—BLACK STAR

Seeking ways to better police and community relations, a special panel of Chicago business and civic leaders takes testimony from an officer during one of a series of public hearings.

There were 118,900 robberies; 1,173,000 burglaries; 2,500,000 larcenies; 5,600 murders; 34,700 assaults with a gun; 68,400 armed robberies and 486,600 auto thefts.

Mr. Hoover noted in the FBI's uniform crime report that of the more than one million burglaries, over 50 per cent were against places of business. He puts the cost of crime to the American public at \$27 billion yearly.

Public often indifferent

Police complain that in recent years there has been a public apathy about crime and, in some quarters, a lessening of respect for authority or even utter disregard of it.

Police score the doctrine of civil disobedience espoused by many civil rights leaders.

Outbreaks of violence and rioting in cities across

the nation have posed new and complex problems for them.

So have recent Supreme Court decisions regarding police procedures in arrest and questioning of criminals, law enforcement officials say.

(President Johnson vetoed a District of Columbia crime bill passed by Congress which would have softened the Supreme Court's decision on questioning suspects. He said it would create more problems than it would cure. The bill authorized police to question a suspect without counsel for four hours, and for six more hours after being charged, before arraignment. A spokesman for the Metropolitan Washington Board of Trade said his group "regretted" the Presidential veto.)

"Civil rights demonstrations are fine," says a burly Chicago cop at his post in the downtown loop area. "But disregard for the rights of others, looting and

BUSINESS: PARTNER IN CRIMEBUSTING

continued

burning of property, that's not civil rights. That's just rioting."

"Many of our citizens seem to be suffering from a new malady—civil delinquency," Morris I. Leibman, one of Chicago's leading attorneys, told the annual meeting of that city's venerable crime commission.

"The time has come," he warned, "to distinguish between freedom of speech and provocation; between petition and lawful assembly, as opposed to physical pressure and coercion. The right of free speech is not a club to deny others their rights."

Demonstrations—Philadelphia last year had more than 300—drain police manpower from other areas. Police Superintendent O. W. Wilson estimated that crime increased as much as 30 per cent in Chicago from July 21 through Aug. 17, 1965—a period of civil rights marches. He attributed the sharp rise to diversion of officers from their normal duties.

As representative of scores of programs all over the country, NATION'S BUSINESS interviewed police officials, business leaders, civic and city officials in Chicago, Indianapolis, Phil-

adelphia, Kansas City and Wauwatosa, Wisc., as well as federal law enforcement officers.

In almost every instance, there is a distinct pattern of growing awareness by business and civic organizations that it's time to cooperate to the fullest with police.

More help from business

This cooperation has meant hammering home the stake everyone in the community has in what William B. Browder, president of the Chicago Crime Commission, calls "all that stands between us and chaos—our law enforcement."

Superintendent Wilson, the respected head of the Chicago Police department, terms it simply, "citizen self-help."

"The objectives of operation Crime Stop are simple," he says. "The theory reverts back to the days when the duties of peace officers were performed on a voluntary basis by individual citizens as part of their mutual protection and community survival activities."

The Indianapolis Chamber of Commerce set up a Law Enforcement Committee four years ago.

"We were becoming concerned with growing crime," says Carl Dortch, Chamber executive vice president.

"The straw that really broke the camel's back," adds Mrs. Margaret Moore of the *Indianapolis News*, coordinator of the women's "Anti-Crime Crusade," was the mugging murder of a retired school teacher as she returned home from church in 1962. The 15-year-old boy who did this is now serving a life term for murder. His father is serving a life term in the same prison for another murder.

Businessmen in Indianapolis agreed to put up \$12,000 each year for two years to finance the new committee. (It since has been made an integral part of the Chamber's operation.) As staff director, they hired Donald W. Ruby, ace crime reporter for the *Indianapolis Star*.

"We wanted someone whom the police knew and respected," Mr. Dortch said, "as well as someone thoroughly familiar with all aspects of law enforcement, including the courts."

Crime rate drops

Between efforts of the businessmen's group, the Anti-Crime Crusade and other organizations, results in Indianapolis have been

Police Chief Noel A. Jones (center) confers with leaders of Indianapolis anticrime groups, Miss Francis Westcott (left) Mrs. Margaret Moore and Don Ruby, Chamber law committee director.



highly promising: Total crime showed a 2.2 per cent decline in 1965 over 1964 and the future looks even brighter.

"This is something more than just one more activity," says Miss Frances Westcott, treasurer of the Crown Paper Box Co., Indianapolis, Ind., of her four years on the committee.

Mr. Ruby, as liaison man with the police, courts and legislators, carries out the committee's determination to work quietly and without hoopla.

"We're not interested in self-credit," says Miss Westcott. Mr. Ruby adds, "Our job is to help the police."

Out of this has come an Indiana State University study of the Indianapolis police department that resulted in almost a complete overhaul, with the full approval and cooperation of city officials.

Court procedures and bail bond practices have been changed, too. New statutes have been passed by the legislature: A new assault law; tougher shoplifting provisions; abolishment of ancient restrictive police residential requirements and recognition of merit. More is planned for 1967.

By some of the public, shoplifting was not even considered a crime. Teachers in a school in one of the better neighborhoods had reported seventh and eighth graders asking casually, "Have you taken your five finger discount lately?" This was their term for pilfering.

At a Chamber clinic, 250 businessmen from all over Indiana were told how to combat shoplifting and how to make a case in court. A booklet prepared by the Anti-Crime Crusade, with the aid of law enforcement bodies, is distributed to merchants and security police and has made it easier to indoctrinate new employees.

Mrs. Moore's Crusade group has the voluntary support of thousands plus all aspects of city officialdom. It has no budget, no constitution.

"We're just 50,000 women," says Mrs. Moore. "And if we'd had a million dollars, we couldn't have done what we have done. Then we would have been just another group with a big staff and everybody would have said 'Let them do it, not me.'"

"We're very well pleased," Chief Jones said of the backing by Indianapolis businessmen. "It brings back the community into support of the police. We need them and they need us."

Problems of the police have mag-

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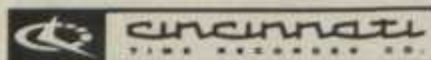
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BUSINESS: PARTNER IN CRIMEBUSTING

continued

nified and changed. This is best illustrated by the training program for Indianapolis police cadets.

Police face new problems

"Each gets 40 hours of criminal law," explains Capt. John Kestler. "And every man has to type out each of Indiana's criminal laws. This way we know he's absorbing most of them, hopefully all of them."

Leaders from major civil rights organizations regularly speak to training classes, as do representatives of the Civil Liberties Union.

Unemployment breeds crime is an old saying. Employers of Indianapolis recently staged a "job fair." And more than 100 firms had representatives on hand, with jobs to fill. Over 20,000 persons came to talk to them.

"Our job is tougher, more complex," says one police official. "We need the modern tools the same as business: Computers, communications; you name it."

There is a growing use of "scramblers," techniques to safeguard police radio networks. Too many hoodlums are cracking safes with a portable radio at their side to monitor police calls.

Other new, experimental programs help law enforcement officers. Many are financed at least in part by grants from the little known Office of Law Enforcement Assistance, a branch of the Justice Department headed by retired FBI official Courtney Evans.

Among these are closed circuit TV instruction for police officers in training in South Carolina, Wyoming and Georgia.

"There is a crying need to professionalize police activity in this country," Mr. Evans says. "This Program is essential. You can't have democracy unless you have law and order. There are fewer than two policemen for every 1,000 population."

Why crime is rising

Mr. Browder, president of the Chicago Crime Commission for the past two years, sees "the general relaxation of discipline throughout the world" as evident in the rise of crime and violence.

The Crime Commission was formed by the Chicago Association of Commerce and Industry in 1919. Most of its focus over the years has been on organized crime. Much of the material for investigations into nationwide rackets by U. S. Senate

committees headed by the late Sen. Estes Kefauver of Tennessee and by Sen. John McClellan of Arkansas came from commission investigators.

Mr. Browder, general counsel for Union Tank Car Co., says: "I think the incidents in Chicago and nationwide this summer showed that the only thing that stands between us and chaos are our law enforcement forces."

"Granted there are some weak ones, but the overwhelmingly vast majority of police are dedicated men." Police firmly agree with this.

"Give the policeman pay comparable to private industry, give him the tools and support to do the job, then demand that he do it," one veteran officer says.

To stimulate public support of the police, the Crime Commission sponsors CLEW (Chicago Law Enforcement Week) each fall. More than 1,000 business and civic leaders attended the highlight luncheon, which is also the annual public meeting of the Crime Commission.

"Citizens must remove the support they knowingly or unknowingly give to organized crime," Mr. Browder says. "More businessmen must realize what an overwhelming economic stake they have in the need for law and order."

A network of volunteers

Crime Stop has probably been the most publicized of all Chicago efforts to back its police. Started in 1964, it has mushroomed. Mel Maurence, assistant to Superintendent Wilson, says, "We couldn't do it without the help of the business and civic organizations."

He feels it has stamped a need into the mind of the public.

"Two children, five and eight, saw a man push a little girl into a car," Mr. Browder related. "They saw the license number and kept repeating it like a nursery rhyme until they found someone to tell. The man was caught."

Superintendent Wilson cites another example of public awareness: A citizen riding home on a bus recently saw a man snatch a woman's purse, jumped off, chased the offender and held him for the police.

The winner of the Crime Commission's citizen award in 1966 was a Negro youth who disregarded warnings of an armed robber in a
(continued on page 89)



PHOTO: BILL HARRIS—BLACK STAR

Public not aroused enough at rising rate of crime and overlooks awesome cost which is involved, says Chief Bernard L. Garmire.

You can end crime in your city's streets

BY BERNARD L. GARMIRE

Chief of Police, Tucson, Arizona

We are faced with what appears to be an inexorable trend in the rising crime rate. The simple truth is that no stemming of the tide appears imminent. It will become appreciably worse before it will begin to improve.

The onus for this condition rests as squarely upon good citizens as it does upon the four facets of the law enforcement process: Police, prosecution, adjudication and rehabilitation.

How to roll back this increasing wave of crime is a question for which an answer has been sought since the end of World War II. Many ideas and theories have been offered. Some have seemed to work temporarily in isolated areas of the country. However, nothing has really worked permanently, though we are still trying and can see some hopeful solutions.

There seem to be certain basic problems of a philosophical nature that are confronting our society. An understanding and recognition of these is necessary, just as it is necessary for the business community to become acutely aware of the awesome impact of crime and violence.

The economic impact is truly awesome. As an extreme example, during the first hour after the assassination of President Kennedy, \$11 billion dollars was lost on the stock market. Anxiety and concern for the future of the country was evident on the face of every American.

The future of our nation could

PHOTO: CHARLES MOORE—BLACK STAR



YOU CAN END CRIME IN YOUR STREETS

continued

have been influenced by a dastardly, brutal crime committed in Illinois at the height of the 1966 election campaigns. (This was the murder of the daughter of Charles Percy, newly elected Republican U. S. Senator.)

The economic future of a medium-sized city in the southwestern part of the United States changed because of a traffic collision which killed the president of a fledgling aviation corporation.

And it is not unusual to have businesses fail because of losses suffered through repeated burglary and theft.

Real vs. surface costs

A \$10 billion surface loss from crime was sustained by our citizens in 1965, and the figure is steadily rising each year.

But actual costs were even higher.

For instance, there were 1,173,200 burglaries in the United States in 1965. Assume half are business burglaries and that each results in a loss of only \$50 in stolen money or merchandise.

This is a total of \$58,666,000, but is this the entire cost to a businessman? Deeper analysis proves it is not.

Examine one \$50 burglary from the standpoint of surface monetary costs versus real, hidden costs.

During the investigation, the store manager will spend at least two hours talking to officers. Cost to management of these two hours of labor wasted: \$10. The clerk's inventory and associated paper work to establish the loss requires two hours: \$4.

A burglary interests people; time lost while clerks are discussing the burglary—five clerks at one hour each: \$10; sending forms to the insurance company to file a claim—one clerk for one hour: \$2.

It will be necessary to replace the item; Paper work, handling, and transportation charges for the re-order amount to \$10; loss of sale because that item is not in stock is \$10; manager's time to go to court to sign a complaint—one hour: \$5; time before the grand jury or preliminary hearing—four hours: \$20; time at trial—4 hours: \$20; transportation to and from the courts: \$5; miscellaneous damage to the store during the burglary: \$4.

Thus, using the most conservative labor wage figures, the hidden costs amount to \$100, plus \$50 surface loss for the item stolen. It

therefore becomes apparent that the hidden costs exceed the surface loss by two to one.

In considering our desire to end crime and violence, we must remember that violence has been an integral part of America's history. Each of us enjoys a certain element of danger and we tend to eulogize most those who excel in one form of violence or another—like soldiers, football players or boxers.

In contrast to this basic instinct of man are the moral restrictions imposed by the Christian-Judaic tradition of the sanctity of life and the dignity of the human being.

Police stand for moral code

The police officer represents the repression of violence and the forceful adherence to the code of western civilization. When a person is con-

For a
look ahead at
what the new year holds,
read the views
of some of the nation's
leading businessmen
who responded to
Nation's Business
latest quarterly
business outlook
survey . . . page 36

fronted with two strong, conflicting forces he tends to withdraw and do nothing. Or this conflict can produce frustration which often produces violence against the symbol of that frustration, and this frequently is the police officer.

Because law and the interpretation of law are in a constant state of flux, this ever changing concept of right and wrong has prompted certain elements of our society, who are encouraging social change, to develop the rationalization that those yardsticks of human behavior we call laws may be transgressed because they are topical and do not constitute social finality.

All facets of our society are, in effect, saying there is no truth where the established status quo is concerned. However, many are contradicting themselves by contending those regulations they propose are absolute and will resolve our problems.

Throughout the history of mankind those who maintained they possessed the truth have wreaked violence and bloodshed on those who opposed them.

It is logical to assume we have not arrived at an absolute truth in our society or at least one which has not been or will not be contested.

Into this psychological morass we thrust young men we call police officers, who symbolize drive conflicts with the resultant isolation of them by society. We charge them with the responsibility of enforcing regulations which are acknowledged as being far from absolute in their content and philosophy.

Society apathetic

Protest to the contrary, our society is not alarmed by the rising crime rate to the extent necessary to support those agencies and measures which could reverse the trend.

Police administrators are being required to thrust their men into a shock troop situation one moment and the next moment into a situation demanding diplomatic expertise.

Routine office and technical services do not require the same caliber of people that police service does. There are a myriad of mundane assignments currently relegated to the police which could and should be assigned to other municipal departments or to a separate division of the police.

Many of our communities are saddled with merely more "warm bodies" than necessary and fewer police officers than they need. Parkinson's law of mediocrity is most assuredly epitomized in many of our cities' police departments. This can be eliminated by the creation of a rigidly controlled top-flight corps able to cope with the complexities of modern police problems.

People in such a corps, by virtue of academic background, extensive training and experience in the police field, would be accepted by society as professional people.

Threat from Washington

Unless immediate and searching attention is given to the municipal police of this country, drastic measures are in the offing by the federal government. Measures which

will inevitably and progressively remove control of the police service from local authorities to federal authorities.

Crime is committed, for the most part, by the younger elements of our society. Attention must be given to these people before they develop the will to commit or learn how to take advantage of the opportunity to commit a crime. The persons best equipped to work with our younger people of junior high and high school age are police officers of experience and background who can speak the same language as educators.

We have a program in Tucson. Our school resources officer has offices in the schools. Some dividends have already accrued, but we believe the great impact will be realized in a few years.

Police should have liaison with all segments of a community. By acting in this capacity, they can frequently prevent an ethnic group clash by identifying the proper officials who can attend a complaint.

In Tucson, by singling out those people most likely to start trouble, talking with them, having them ride on a tour of duty, explaining to them some of the problems of community life, we have been able to enlist their support and influence.

Few, if any, cities have sufficient, good police officers to combat the rising crime rate. For this reason, new concepts of strategic employment of forces available must be applied. You must try to outthink the criminal in the assignment of manpower.

Police problems of tomorrow will be more complex. We must upgrade police personnel selection, then educate and train those selected.

Within our department we have a college which is an integral part of the University of Arizona. We call it the college of policology. It offers an associate arts degree with all credits applicable to a full degree.

With knowledgeable and realistic people such as businessmen taking cognizance of the problem of rising crime, taking immediate steps toward solving it, the rest of the nation will undoubtedly follow. **END**

BERNARD L. GARMIRE has been in law enforcement work since 1937, when he joined the Indiana State police. He is a graduate of numerous specialized police training schools and academies. He is a former faculty member of the University of Arizona, and is a visiting lecturer at the Federal Bureau of Investigation National Academy.

ART BUCHWALD

continued from page 56

will declare November 14 "National Gall Bladder Day" in honor of his successful operation.

Speedier mail

I predict that all letters that were mailed before Christmas of 1966 will be delivered by Thanksgiving of 1967.

Off on right foot

I further predict that because of the anti-Viet Nam demonstrations

on college campuses it will be impossible for any school to get a commencement speaker, and all students graduating in 1967 will be given their diplomas at the senior prom.

They're off

Finally I predict that former Vice President Nixon, Ronald Reagan, Nelson Rockefeller, George Romney, Mark Hatfield and John Lindsay will all deny they are interested in being Republican Presidential nominees in 1967, which will make it one helluva political year. **END**



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INSIDE VIEW OF THE NEW BUDGET

continued from page 43



Mr. Schultz

the budget together are willing to recognize it as such.

The press and the Congress tend to write, think and talk about the so-called administrative budget but this is not a good indicator of economic impact.

This concept of federal finances includes only the funds owned by the government.

In addition, the administrative budget counts loans as a straight expenditure. However, loans are not the same as a purchase because we eventually get the money back.

The best way of looking at the fiscal impact of the budget is on a national income accounts (NIA) basis. The budget on this basis is more comprehensive than the administrative concept because it includes the trust funds.

And, unlike the cash concept, it excludes lending operations because federal lending is really part of monetary rather than fiscal policy.

As you can see, the budget on an administrative basis could very well be in deficit at the same time we are in balance on an NIA basis—for no other reason, perhaps, than a surplus in the trust accounts.

If this is the case, then what appears to be a policy of fiscal ease is, in reality, a policy of economic restraint.

In fiscal 1967 the outcomes of the administrative and national income accounts budget may well differ by as much as \$7 or \$8 billion.

And this difference will probably be much larger in 1968.

Mr. Schultz, does tight money affect the budget much?

Tighter money may very well add \$4 to \$5 billion to federal expenditures for the current fiscal year in the administrative budget.

Tight money affects the size of

the administrative budget in several ways: The most obvious is higher interest rates.

Also, we were planning to sell so-called federal loan participation certificates. We may not be able to sell quite as many as we had hoped because private credit is not so readily available. But all of this depends on how monetary conditions develop.

Finally, there are many programs in which the federal government guarantees loans. But when private credit is less available, the loans often have to be made directly by the government, and this adds to budget expenditures.

Are balanced administrative budgets a thing of the past?

Not necessarily.

Mr. Schultz, is the planning-programming-budgeting system aimed at eliminating duplication and overlapping in government?

Not primarily. Clearly, out of a careful analysis of program benefits and costs you will get a lot of insights into what can be stripped away.

But PPBS was not set up primarily as a tool for reorganizing government.

How do you measure the worth of creating a new federally financed inland waterway, say, that may well compete with a taxpaying railroad or truck line that operates along the same route?

Well, analysis is never going to give us one single answer or figure. What we do want our analysis to do is try to quantify the benefits and costs as much as they can be quantified.

But then analysis should also point out in terms as explicit as

possible, the nonquantitative benefits and costs. So, you see, this whole idea of planning-programing-budgeting-cost effectiveness analysis, call it what you want—is not designed to come up with magic answers.

It isn't supposed to take the place of elected and appointed officials making decisions on the basis of judgment. Rather, it feeds them the best analysis and information, so they can make the wisest decision.

Do you ever consider the use of private business as an alternative to a planned or existing federal involvement?

Yes, we do. The Bureau of the Budget very precisely lays out the criteria for determining whether an industrial-type activity should be carried on by the federal government or by private industry.

We have rules, with a 10 per cent override in favor of private industry, on this.

In other words, we require every agency, before it goes into any kind of industrial or commercial activity, to rank its cost, including interest, taxes foregone and the like against private cost, and add a 10 per cent override, because normally we would give the benefit of the doubt to private enterprise.

The same thing comes up when you are thinking of any new program.

You must ask to what extent can this be done by private industry, by state or local government. So it is a matter of constant concern.

Is there any 10 per cent override given to state or local governments?

No. Here the thrust in recent years has been in the direction of establishing grant-in-aid projects instead of direct federal projects.

The whole effort in the area of health, aside from medicare, has been grants-in-aid. Also water pollution.

Do you feel federal grants-in-aid are preferable to tax incentives?

In most of the areas we are dealing with, I would say yes, for all sorts of reasons. Basically, I do not think the tax code should be cluttered up with a host of special incentives.

How much difficulty are the executive department agencies having installing the planning-programing-budgeting system?

It varies tremendously from agency to agency. In general, it is not

easy because it is very difficult to get the right kind of people.

I look at this as something we will be developing for at least five years.

But, some agencies have already come up with surprisingly useful analyses—for example, the Peace Corps and the U. S. Information Agency.

Will PPBS save taxpayers money?

Yes, especially in terms of getting more effectiveness per dollar spent. But at the same time it is the kind of thing that nobody would be able to prove.

When you put in a very specific management improvement, which increases employee productivity, you can point to the savings. But when you analyze an education program and reshape it to be more effective, how much are you saving?

You know that to get the same effectiveness might cost you a lot more if you did it the old way, but you never know how much more.

With PPBS, you still have to rely on people down the line to make honest estimates about program costs. Is there much bias, wrong figuring?

I think "bias" occurs most frequently in big, new research and development programs, where there is almost an inherent tendency to underestimate the full cost of the project.

This is not a matter of a bias in the persons making the estimate, but a built-in difficulty of foreseeing future costs.

Quite naturally, program proponents want to speak as glowingly as they can about benefits and indicate the costs aren't really that great.

But we in the Bureau have our own countervailing bias toward questioning benefits and pointing up hidden costs.

When PPBS is working full steam, do you think there will be less spread between the initial budget estimate and the year's final results?

Since PPBS cannot control the weather, which affects agriculture expenditures, or Ho Chi Minh, who affects defense expenditures—the two really big areas in which we tend to miss the mark—I don't think it will make much difference.

Hopefully PPBS will give us a better estimate of cost. It is a long-range effort.

We are going to improve substantially, but it won't be overnight.

END



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FIRST THINGS FIRST?

These short cuts provide way to reach goals faster

The general assumption that putting first things first means giving chronological priority to the more important objectives is misleading. They must be put above everything else, but not necessarily before everything else. To reach your main goals as soon as possible, it is often necessary to do many lesser things first—things that pave the way for the bigger ones.

This one principle can dramatically ease the job of coping with many simultaneous problems as most executives have to do. Every phase of business is affected by the manager's ability, or inability, to give each step its proper priority.

It is not difficult to find examples of expensive effort that could have been lessened or entirely eliminated by rearranging the steps.

A typewriter manufacturing company had several new design projects under way at the same time. Because there had been complaints about the carrying case for the portable model and also about various features of the machine itself, the director of development had put different members of the staff to work on the separate problems. One of the industrial designers finally came up with an improved carrying case. Within two months a team of design engineers, working separately, completed development of a new, lighter portable machine. Result: Work had to start all over again on an entirely different carrying case.

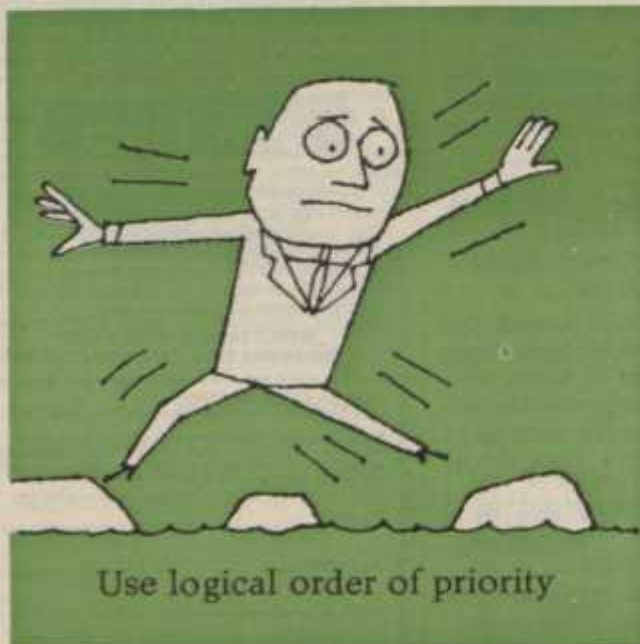
Since the solution of one problem—the basic machine design—obviously was going to change the other problem entirely, work on the case should have been left aside until the main job was complete.

Cart before horse

Another firm boosted its production schedules in midyear without planning its advertising campaign in advance. This resulted in high ad costs, mediocre sales and a big unsold inventory of finished goods.

A multiplant manufacturing company brings its executives together for three-day meetings twice a year. It was the custom to devote the first day to general policy discussions, then get into specific problems, reports from technical men on old problems and new developments, and the like. Only after years of this did someone point out that the technical reports often eliminate some of the general problems and clarify others. By reversing the order of business, taking up specifics first, the policy talks have been shortened and streamlined so much that the sessions now seldom run more than two days. More important, they are producing sharper decisions.

This last example supports the view of a British management expert who cites meetings as a prime example of the dramatic differences rearrangement of schedule can make. Sir Walter Puckey, chairman of Management Selection Ltd., says: "Many peo-



ple find it difficult to believe that better priorities can eliminate problems, rather than merely rearrange them. One not always obvious example is the layout of a board agenda, which if done skillfully can reduce the time taken to discuss certain items, because the way has been prepared during discussion on previous items."

Note that in the three instances cited above the mistake was not a question of doing the most important thing first, last or in the middle. The experiences vary greatly as to the relationship between the importance of a subject and the priority given it.

The typewriter development chief made no distinction whatever. He set to work on a major project and a minor one with equal speed.

The company that boosted production before planning its advertising failed to think out the intermediate steps between making more products and making more profits—which were its real objectives.

The firm that started with top policy talks and then moved on to technical reports was putting first things first, but in the wrong sense. It forgot that big decisions often depend on lesser specifics.

One common denominator ties the three examples together: All these companies could have saved time and money by using a logical order of priorities.

How the links fit

A somewhat different, but related, error is also common: A company sees the way ahead, knows the steps and the order they are to be taken in, but doesn't think through how each problem will affect those that will come after it.

Even if the sequence is right, it loses the advantage that correct priorities can yield. This is a more subtle distinction. It is one thing to see the order in which a series of steps along a route should follow each other; it is a higher order of executive skill to work out the relationship between what will happen at each of those stops and then apply that forecast



Sometimes little problems come first

DRAWINGS BY CHARLES COPE

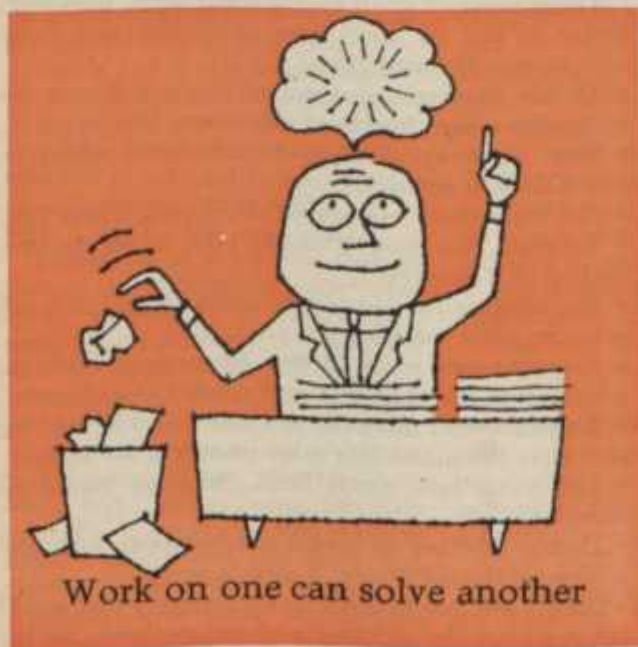
from the start. What it requires in most cases is not a crystal ball, but more self-discipline on the part of the planner—more willingness to think below the surface facts. And it often takes more coordination among members of the management team.

Here is how a usually well run publishing company went awry on this score: The firm decided to make a bigger direct-mail selling push, and it was clear that 60 new clerical people would be needed. This company had new electronic data processing equipment already on order—and with it, 25 people would be able to do the same amount of work—but the new machine was not expected for another half year. The big sales drive could not be delayed that long. So 60 persons were hired, and broken in at considerable expense.

But this is where the error came in: Most of the new employees had only the minimum qualifications for the hand operation required at that time. When the new equipment arrived, 48 of these people had to be laid off, and a dozen new workers with superior education hired and instructed in the company's ways.

Here was a case where the moves to be made were clear, but they were not connected up in advance. If top management and the personnel director had thought through the implications of the temporary hiring decision and how it related to permanent needs, they would have made an important adjustment in selecting the first group. By making sure that 25 of the 60 people they hired had the needed backgrounds to switch into the automatic operation later, they could have that many permanent employees from the start.

True, they would have paid somewhat higher salaries during those six months; but they would have saved on all the initial costs of adding new employees, the retraining expenses and the heavy burden of waiting many weeks for a second group of new workers to become fully productive. Moreover, although this is not measurable in money, the adverse public relations effect that always occurs in a



Work on one can solve another

community when people are laid off could have been held to a minimum.

Priorities get in line

How can a busy manager back off and see the best path to his goal?

The fact is that it's amazingly simple to avoid most of the doubling back and to plot the clearest route to a management objective. Even in this day when some of your decisions may involve the most complex equipment, paper and pencil are all the materials needed to set up the priority sequence.

In more cases than not, it is enough to make a simple list of the things to be done and then rearrange it so the items that pave the way for others are moved to the top.

In those instances when the number of subjects is so great as to be confusing, it helps to divide the items into separate groups first and then fit them together, along these lines:

Divide a sheet of paper into three columns by drawing two lines from top to bottom. As a start, head these columns First, Second and Third Priority.

Next, consider all the separate parts that make up the task ahead of you—each step in a plan or each item on an agenda—and ask: Could the outcome of this eliminate or change any other step on the list? If the answer is yes, put the item in column one. If it's no, don't enter it at all for the moment.

Then repeat the process, item by item, but this time asking the question: Could the outcome of this be affected seriously or cut out by any other step? If the answer is yes, put it in column two. Every time there is a yes answer, make a note of what other subjects have a link with the item.

After this is done any items that are not entered as First or Second Priority should be put tempo-

rarily into column three. Some items may turn up in both column one and column two. In that case, they should be considered as belonging in the First Priority group, but make sure that they are listed below the items that will affect them.

Set your deadline

Next, a deadline date should be penciled in next to each item—the preferred date by which the work on this should be complete. If any item in column three would suffer from a delay, it can be moved up to earlier standing, since it can be handled without relation to other subjects.

Finally, on a new sheet, put all the items into a single sequence, based essentially on the relationship established in this way, plus whatever common sense shifts are dictated by unchangeable deadlines.

After the list is completed, be sure to save the jottings in which you noted the relationships among certain items. These will be useful reminders to take maximum advantage of the priorities you have assigned, to connect up each move with the ones to come later.

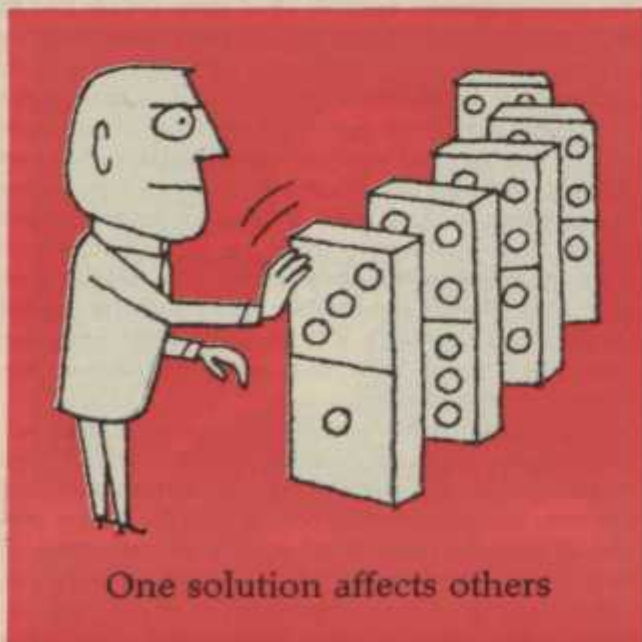
How this can work in practice is found in the example of a dental manufacturing company that suddenly began losing money heavily on one line of plastic material. It was not as serviceable as the best competitive brands that had recently been introduced, yet their production costs were too high to compete on price alone.

It was no easy thing simply to stop production and discontinue the line. The firm's franchised dealers all over the U.S. had a contractual right to return their stocks for full credit in case any change made them obsolete.

The refunds might seriously peril the company's financial position. So before this continuing loss could be stopped, a great many prior moves had to be made.

The company's small management team, busy with trying to run its other lines profitably, was faced with these added questions:

- Decide whether to get out of this one line or try to develop a new, improved substitute.
- Start a survey of what characteristics would be desirable in a new line.
- Get researchers to work on developing a new line.
- Estimate how long it would take to set up production of a new line.
- See whether the old plastic could be sold at a cut price in other markets.
- Estimate how much of the old material could be sold back to the U.S. dealers if offered at a discount.
- Estimate what price the new line could be sold for and what the immediate sales prospects would be.
- Determine how much bank financing would be required.
- Decide whether to continue advertising and promotion on the old line for a certain period.
- Decide whether to order new machinery that would cut costs on the old line and reduce losses in the



interim (not knowing whether or not it would prove usable in producing a new plastic).

By dividing this haphazard and confusing list of questions along the lines suggested earlier, the company quickly determined that the "column one" items—the ones that would pave the way for other decisions were:

How long it would take to introduce a new line.

Whether the old product could be sold abroad.

How much of the old product could be resold in the United States.

Sales prospects for a possible new line.

Of these questions, the last-named eventually went to the top of the list. The sales manager was put to work making an estimate of the outlook for marketing a new line. For if that promised to bring in enough initial orders, there could be a simple exchange of merchandise—new plastic for old—in many cases, rather than a cash refund. Also, if many of the dealers would be willing to keep the old merchandise at a lower price, the manufacturer could give them a partial credit, rather than a full refund. These questions, and the others selected as "column one" items, would play

a big part in deciding whether or not to stay in the same business at all, how much financing would be needed, whether the old line would be continued long enough to make further promotion desirable.

For each executive, the approach has to be adapted to an individual situation. The exact procedure is not important. The principle is what counts, and that principle is: First priority goes to items that pave the way for others.

By this method, you can pinpoint the order in which steps are to be taken, and you will find that some problems with a low rating on your list may never have to be attacked at all. They will be solved in the course of working on a prior item. Nothing else you can do so quickly or simply will ever save you as much in time, money, and duplication of effort.

—CHARLES A. CERAMI

REPRINTS of "First Things First?" may be obtained for 25 cents a copy, \$12 per 100, or \$90 per 1,000 from *Nation's Business*, 1615 H St., N.W., Washington, D.C., 20006. Please enclose remittance with order.

LESSONS OF LEADERSHIP *continued from page 49*

energy created by coal and created by the atom.

You have had some pretty spirited battles in the past with John L. Lewis and his United Mine Workers, haven't you?

Yes, we have had a great many of them. Our main battle, I suppose, was in 1949 and 1950 when the coal industry went through several months of partial work and no work. I was called on to represent the coal operators in this battle with Mr. Lewis.

I might say that was sort of like matching an elephant and a mouse, because he was an old hand at negotiating and it was something new for me. But after this long, bitter struggle—and it was a very difficult one—Mr. Lewis claims he made a man out of me, and I claim I made an enlightened labor leader out of him. I don't know who won.

The result of it all was that we learned to understand each other better, we learned to have a great respect for each other, I think, and that has benefited the industry.

Incidentally, that's the last time the industry decided to pick one operator to represent the whole nation, because it was pitting a man who had other responsibilities against a labor leader who was unusually strong and had such bargaining as his main occupation.

Shortly after those negotiations we formed the National Bituminous Coal Operators Assn., with Harry

Moses, who was one of the outstanding operators of the country, to run it as a full-time job. From then until now, some 16 years, we haven't had any major strikes or labor trouble in coal.

You were also one of the architects of the National Coal Policy Conference. How did it emerge, and what is its significance?

Early in 1959, after consultation with John Lewis, we called a meeting of major operators, the heads of the main coal-carrying railroads, the union leaders, the manufacturers of coal-mining equipment and the heads of several utilities consuming great quantities of coal, and put before them the thought of organizing into a conference whose main purpose would be to further the interests of coal, politically and every other way. We felt we could lengthen the arm of the industry by uniting.

The reception of the idea was enthusiastic, the organization was formed and it has met our expectations in every way. The voice of coal has been heard in a different way from that of any other industry, I think, because it is unique to have labor, the operators, the transporters, and the users combine with a single purpose.

Here were four groups that had fought each other tooth and nail for decades. We felt the wages were too high, and fought against that; we felt that the transporta-

tion costs of coal by the railroads were too high, and we fought the railroads; and, of course, the utilities had fought us, saying our price was too high.

The organization still goes on, and I hope it always will.

After years of building Consolidation Coal into the nation's largest and most profitable producer of soft coal, you recently led it into corporate marriage with Continental Oil Co. Why?

I think that the main motivating force in this transaction was the fact that Continental represented two major sources of energy, oil and gas, and Consolidation represented the other one as far as fossil fuel goes—coal.

These fuel industries had been wasting their time and money battling each other through many years in spite of the fact that they were no longer competitive.

Each of these domestic fuels had its own market. Years ago they were competitive, but in the last five to 10 years, they haven't been. Yet they have still hurt each other by battling publicly before government commissions and in the courts.

I had always dreamed of a company that would represent all three sources of fossil-fuel energy and one that would be a step in the direction of conserving each fuel for the highest possible use. If coal was the best fuel to use under boilers in Detroit or Baltimore, use it

there, and conserve gas for other consumer use on a higher plane.

Other countries have done this, but the U. S. is without a national plan.

I felt this merger with Continental would be a small step in setting a pattern for the more thoughtful use of these particular fuels. Fortunately, L. F. McCollum, Continental Oil's chairman, agreed with that theory.

In 1961, you took on another board chairmanship—that of Chrysler Corp. In what shape was Chrysler then?

Chrysler was in an unusual number of difficulties. The confidence of the public had waned; their dealers were leaving them; some of their best managerial personnel were going and they had to let their president go just a few months after they had engaged him as president. So it was quite necessary to do something pretty quickly.

Before I became chairman, I was on a committee of outside directors that was given the task of finding new management for Chrysler. Because of other responsibilities, sick-

ness and so forth, the main responsibility of that committee fell to me. After a search of several months which led in all directions, we recommended Lynn Townsend, who at that time was 43 and employed by Chrysler in a responsible position, to be president.

That turned out to be a very fortunate selection, dictated not completely by wisdom but by necessity, because Chrysler's fortunes were at such a low ebb not too many people were willing to take the job.

The board then suggested since we were giving this responsibility to such a young man, someone untried, that I take some job of responsibility to look over his shoulder and be his father confessor. That's what happened.

And then Consolidation put some of its money where its chairman was?

That's right.

So after changing the bylaws of the coal company so we were legally able to buy, we proceeded to buy. And as we bought the stock in the market, we reported it publicly at the end of each month.

I have a feeling that this outside company being willing to put large amounts of capital into Chrysler at that particular time went a large way in restoring confidence, in the employees, the buying public and the dealers. Consolidation finally ended up, as you know, with some three and a half million shares, or eight per cent, of Chrysler's stock.

Mr. Love, one of your closest friends, Donald B. Lourie, chairman and chief executive officer of The Quaker Oats Co., tells me your strongest executive skill is being able to pick the right man for the right job. Do you agree?

If you are lazy enough and don't want to work yourself, you had better pick the right fellow to do the job.

My theory is to let the selected individual do the job, but always be ready to share the responsibility for his decisions if they turn out wrong. Of course, if they are wrong too often, you make a change.

What qualities do you look for in the men you choose to help run a corporation?

I think the qualities that you search for primarily are personality, desire, knowledge of the business. And of all these, I suppose desire or ambition is the most important.

But you frequently find somebody with the ambition who hasn't the personality to handle or guide other people. So you have to look for a combination of real, serious ambition, personality and ability.

Another important ingredient is a happy family life and a wife who expects you to do well and would be terribly disappointed if you failed her. I have been particularly fortunate in that regard.

How in such a short time did you and your management team restore Chrysler to the successful and growing corporation that it is now?

I think the primary reason we were able to make the turn-around at Chrysler was that we had four very good automobile years. We had economic conditions that gave us time to move.

If we'd run into a slump in the automobile business in 1962 or 1963, we might not have been able to make the turn, because it is very difficult to stop a downturn in any consumer goods in which the public has lost confidence, much less turn it up. So I think the primary reason we were able to do it was the favorable economic climate.

Second, Lynn Townsend and the people he picked to take major jobs with him were the right people. And that's fortunate, because there is no sure way of knowing you have the right man till he's doing the job.

Then third, the general public wanted Chrysler to succeed. It had a great reputation, and they didn't want to be left with only two major automobile companies.

Mr. Love, you have called yourself a policy and investment man. What do you mean by this?

It means just about what it says. Take Chrysler for example. The day-to-day running of the company was not for me; I didn't know enough about the automobile business to confuse the issue by getting into such things as design decisions.

On the other hand, any matters of financial policy or general policy which would normally go to a board of directors, should and did come to me. And because of the very close relationship between Townsend and myself, we could decide quickly and move quickly. I felt that I represented the board in these decisions and could forecast what their decisions would be.

You were able to attract really top-notch people to Chrysler's Board, weren't you?

That's right, and that was essen-

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tial. Getting outside people to come to the board helped restore public confidence in the company. We got John Coleman in New York; Admiral Arleigh Burke from Washington; Robert Semple, a very prominent Detroit industrialist; J. Richardson Dilworth, a former Kuhn-Loeb partner who was looking after affairs for the Rockefeller interests.

I think all these men made a tremendous contribution, coming on the board when Chrysler was in such trouble. It was very fortunate for Chrysler.

You have been critical of government policies regarding mergers. Why?

I have seen a whole industry saved by mergers.

I don't think the coal industry would be nearly as far along technically, or any other way, if it hadn't been for mergers.

For example, Consolidation Coal, built largely through acquisition, does more research in a year than the whole industry did in a hundred years before. And its ability to be a leader, I think, went a great way toward making the bituminous coal industry in this country one of the strongest in the world.

Where mergers tend to save time and money, they are good. For example, Chrysler could have saved time and money if the government had permitted it to merge with Mack Trucks, Inc. The result would have been to make Chrysler a little more competitive with its main competitors, General Motors Corp. and Ford Motor Co., a little faster. Therefore, I think it would have been a good thing for the country.

I believe mergers are one of the most important reasons this country has been able to attain to its present high level of industrial activity and leadership.

What is the proper relationship between business and government?

Well, there has to be a close relationship. I think knowing each other's problems is a help to both.

Just where contact between the two should end, I don't know. But certainly, supply and demand should be the principal cause of price changes, up or down, rather than government action.

Certainly, where the public interest is at stake, the government has to take some part in labor negotiations if the parties can't agree.

But whether they should take any part where the industry is not fraught with the public interest is something else again.

I think that there has to be close contact, and probably closer contact as we go along, but the dividing point will shift from time to time.

When does a person with your energy and responsibilities decide to take life a bit easier?

My friends say that I started to take life easier about 30 years ago. And that's true.

You had better ask my old boss George Humphrey that question; he says he could never find me in the office and there were too few telephones on golf courses.

Mr. Love, your friend Mr. Lourie tells me you are quite a musician and golfer.

I'm equally bad at both. I play the flute in such a fashion that shortly after I start I lose my audience.

I play golf in such a fashion that my friend Arnie Palmer and others turn away when they see me swing, so they won't copy it.

However, I spend a lot of time on the golf course and a little time practicing the flute, but nobody takes the results very seriously, including me.

You and the late Ben Fairless of U. S. Steel founded a golf club, didn't you?

Yes, Laurel Valley, some eight years ago, I suppose.

Uncle Ben Fairless and I thought it would be a fine idea to have a businessmen's golf club that could be used for entertaining on a very high-level basis. Laurel Valley was the result, and, as you know, it is recognized as one of the great courses in the country.

Our commission to the architect was to build the best course in the country, and we think he succeeded.

We have something over 200 members. We picked the membership carefully, and we would normally suggest that the head of a corporation become a member rather than somebody down the line.

Therefore we probably have the most outstanding business membership of any club in the country. You may recall the PGA championship was played there in 1965.

You picked a pretty good golfer by the name of Arnold Palmer, to be the pro.

Yes, and recently we had a rather unique dinner party with him. Arnie became 37, and his wife and I planned a surprise party, which consisted of President Eisenhower arriving at Arnie's house the day of his birthday with a suitcase, asking if he could spend a few days.

Mrs. Eisenhower drove out that day, and inasmuch as the Eisenhowers were there to surprise Arnie Palmer, I called the President's great friend and associate, George Humphrey, and he and Mrs. Humphrey came over that evening and surprised the Eisenhowers. It turned out to be a delightful affair.

Mr. Love, how do you make a big decision?

Most top executives haven't the time to go into the details of many transactions that demand a decision. I think they have to base their own decision on how well particular advocates of one side or the other in the organization present their arguments.

It is a matter of judging the people involved and how strongly they are for or against a particular transaction which guide most of us in reaching a final conclusion. **END**

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BUSINESS EMPLOYEES "UNEMPLOYABLE"

continued from page 34

Negroes and two white Anglo-Saxons.

Immigrant to metalworker

One trainee is Florentze Veron, 48, who showed up at Monogram's personnel office one day accompanied by his son, Hector, who was on crutches. Hector, an A student in junior high, interpreted for his father.

The boy explained that he had been stricken with polio when he was two and his father had taken him to the United States from Argentina two years ago to seek better treatment for him.

Hector said his father did odd jobs in New Jersey and New York. They moved to Los Angeles after learning that a hospital there of-

ferred hope for treating Hector. Hector told the personnel man at Monogram that his father spoke no English but was willing to sweep floors, wash dishes, anything.

Within an hour Mr. Veron was in Monogram's training program. He quickly caught on to metalworking and advanced through the trainee ranks. The pay and the firm's hospitalization plan have enabled Hector to get the treatment sought. Doctors say the boy may be able to walk without crutches one day.

Mr. Veron's only complaint is that he has not picked up English as quickly as he had hoped, so he cannot yet attend a blueprint reading school.

"Very hard, my head," Mr. Veron says, pounding his forehead with his palm.

Another trainee in the Monogram

program was William T. Rose, a 24-year-old Negro who had a rough time finding a job before trying Monogram. He swiftly advanced through the program, making enough money—through three raises and Monogram's employee profit-sharing plan—to rent a handsome apartment, buy a car and get married.

Mr. Stone keeps from 15 to 20 trainees on his payroll at all times and plans to increase the number when possible.

Why federal programs flounder

He believes a basic flaw in the federal government's poverty program is its failure to use powerful institutions already present in the American economy.

"The government tried to set up huge administrative federal organizations to carry out the job creation

phase of the poverty program when industry could have comfortably and effectively handled the problem," Mr. Stone maintains.

He says that the business community would have been even more enthusiastic about fighting the problem if any effort had been made to enlist its support in solving it.

The Monogram program had been underway only about a month when, in August, 1965, six days of bloody riot rocked the nearby Watts section of Los Angeles.

To loosen tensions, many other businessmen suddenly sought to set up programs similar to that at Monogram, exclusively for the Watts unemployed.

At the center of the effort was the Los Angeles Chamber of Commerce and energetic H. C. McClellan, who is board Chairman of the Old Colony Paint & Chemical Co. in Los



PHOTO: LEO CHAPLIN-BLACK STAR

Applicants are tested for the Buffalo, N. Y., Chamber of Commerce Opportunities Development Corp. which prepares unskilled for jobs.



R.H. Mulford admits an "obvious self-interest" in PFP programs.



H.C. McClellan guided efforts to employ "unemployables" in Watts.

HOW BUSINESS EMPLOYS THE "UNEMPLOYABLE" *continued*

Angeles and Under Secretary of Commerce during the Eisenhower Administration.

"It's a sin against common sense to deny a man a job because of his race," Mr. McClellan said often as he mustered support for the Chamber's program.

He got seven leading Los Angeles businessmen together and helped form a 50-member committee of Negro businessmen from the Watts area.

Working together—without funding or staff—the groups eventually formed a nonprofit public service corporation called the Management Council for Merit Employment, Training and Research.

The council is a cooperative effort by industry to:

- Create enthusiasm among employers for hiring the unskilled in the Watts area.
- Drum up a desire among the people in Watts for going after the new jobs being made available.

The group agreed that adequate staff and facilities would be needed, but that no government funds would be requested or used. Six aerospace firms contributed \$23,000 and the Haynes Foundation of Los Angeles and the Ford Foundation of New York City gave \$50,000.

"We have been seeking out the heads of families," Mr. McClellan told a *NATION'S BUSINESS* editor at the council's office in the Los Angeles Chamber of Commerce Building.

"We don't offer them jobs as janitors, fieldworkers or car washers—even though there's nothing inherently wrong with such jobs. It's

just that most Negroes resent them."

The council has been working, too, with privately financed projects to train some persons who need training—in such matters as how to change a dollar bill—before they can attempt to enter on-the-job training.

The council set up an Opportunities Industrialization Center (OIC) similar to those already running in Philadelphia and Boston. Based on a self-help philosophy, the OIC's are run by the Negroes themselves. They provide remedial training in fundamentals, some skilled training and counseling to build the right attitudes toward work.

The council administers the funds and equipment for another project in which professionals from the American Society for Training and Development train OIC officials.

The council coordinates and counsels still other skill centers and holds meetings individually and in groups with leaders of Negro and Mexican-American communities.

Dropouts and delinquents

The results have been impressive. The council, which now has 2,600 companies in its program, has placed more than 5,500 persons from the Watts curfew area in steady jobs. The numbers include some of the hardest of the so-called hard-core unemployables.

Mr. McClellan says member firms have requested: "Send us the worst person you can. Give us the dropout with a long police record—and we'll give him on-the-job training at \$3 an hour to start."

Mr. McClellan, who has donated

hundreds of hours to the council, says he never presents the programs to firms as social or moral obligations. Rather he refers to them in terms of simple economics and common sense.

He points out the shortage of semiskilled and skilled workers in the Los Angeles area and the fact that Los Angeles County welfare costs exceeded \$400 million last year, about a quarter of which went to the Watts area.

Mr. McClellan sees the whole problem as being really nationwide, however, and believes other business communities can set up similar programs to hasten the hiring, training and promotion of their "unemployables."

Business pitches in

An example of what private firms are doing on their own to relieve tensions in the Watts area was the opening there, last November, of a new subsidiary of the Aerojet-General Corp. Known as the Watts Manufacturing Co., the new firm makes large tents for the Defense Department for a variety of uses, including field hospitals.

When in full production, the new firm will provide jobs for more than 200 low-skill Watts area persons in two shifts. Training is being given to those persons who have the manual dexterity to use the tent-making machines but have never worked on this type of equipment.

"This is no philanthropic undertaking," says R.I. McKenzie, Aerojet president, "but a sound business venture designed to get a return on our investment."

Twelve electronic firms in the San Francisco area helped finance, equip and provide instructors for

another self-help training program, called Opportunities Industrial Center West in East Palo Alto. Classes started last October in a donated industrial park building.

Already the program has trained and placed 154 "disadvantaged" persons in good jobs as secretaries, mechanics, sheet metalworkers, welders, draftsmen, key-punch operators and electronic technicians and assemblers.

The advantage of having firms supply teachers and equipment for such a program is that the trainees get the most current training on the latest equipment, not on obsolete machinery, as in many vocational schools.

In the East, too

The efforts of businessmen to fight the "unemployables" problem is hardly confined to the West Coast. For instance, across the continent is the work being done by the Buffalo (N.Y.) Area Chamber of Commerce.

Buffalo area businesses last spring gave \$40,000 to set up and staff the nonprofit Opportunity Development Corporation (ODC). The organization's chief undertaking is called Project JET, because its aim is to give the unskilled a combination of jobs, education and training.

The program is run for 1000 "economically and educationally indigent" from the Buffalo area welfare and unemployment rolls. They are mostly male heads of households.

The ODC's aim is to hire these men, mostly Negroes and Puerto Ricans, put them to work and at the same time raise their educational level to at least the eighth grade. This is done through daily two-hour tutoring in classrooms, supplemented by intensive home counseling if needed. This is in addition to their regular on-the-job training.

Every employer in the program gets up to \$30 a week for each trainee on his payroll through the 44 weeks of the trainee program.

By providing jobs and training to individuals once on welfare, Project JET will save the Erie County welfare authorities an estimated \$1,542,000 which would otherwise have been handed out to the trainees. This savings represents more than 51 per cent of the operating cost of JET for the first year.

The projected average annual income of the trainees is \$3,637.60, which is \$421 higher than the nationwide median annual income for nonwhites.

"In addition to savings to welfare agencies and increased contributions of taxes, the program has had some important, but less measurable returns," says Dr. Allan H. Bush, executive director of ODC.

"These include a restoration of a sense of human dignity for the chronically unemployed, increased family stability as a result of employment and a greater sense of social stability as a result of being able to conform to the socially dictated responsibility of providing for oneself and family."

The Buffalo Chamber attacks the unemployables problem in other ways. It publishes a brochure designed to persuade potential school dropouts to stay in school. It has a speakers bureau program so that representatives of minority groups can take their messages to white residents in outer areas.

The Chamber engages, too, in programs to solve problems of transporting members of minority groups between the inner city and outlying plants.

"We told ourselves that either we join in a strong, realistic community effort to turn despair into new hope, or Buffalo risks involvement in the surging national pattern of turmoil and violence," explains Charles F. Light, executive vice president of the Buffalo Chamber.

Turning jobless into assets

"Either we turn unemployables into assets or we slowly crush the vitality of our community under the increasing weight of relief rolls and welfare taxes."

Intensive campaigns promoting job education—spearheaded by local businessmen—are underway in many other cities, including Philadelphia, Charlotte, Indianapolis, Chicago, Dallas and Seattle.

The Seattle Chamber of Commerce last fall held a series of Merit Employment Workshops designed to acquaint Negro unemployables with the job world and to thrash out problems encountered by labor-short employers in hiring and retaining the unskilled. The general idea was to assist both Negroes and whites in working together.

The Greater Cincinnati Chamber of Commerce last September held an all-day seminar on the same topic. The night before, the Chamber, along with the Cincinnati Business League, an organization of Negro small businessmen, gave out 60 plaques. Half went to Negro workers who had improved themselves through on-the-job training. The other plaques went to firms

with outstanding hiring and training policies.

The Cincinnati Chamber last June established a new department dealing with human relations. It is launching an Opportunities Industrialization Center in Cincinnati.

RCA recently assigned 15 of its top engineers and scientists to deliver weekly classroom lectures at four Brooklyn, N.Y., high schools. They described opportunities opening up for young people in the fields of jet propulsion, nuclear physics and space technology.

It worked so well that eight other industrial firms have joined with RCA in the project and more schools have been added to the list.

Petroleum companies are using teaching machines in stepped-up programs to train low-skilled persons to be gas station attendants. The firms pay all expenses for the trainees at centers scattered across the country.

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HOW BUSINESS EMPLOYS THE "UNEMPLOYABLE"

continued

Plans for Progress (PFP) program. In this, firms pledge to take affirmative action in recruiting Negroes for all levels of jobs. In addition, member companies carry out a wide variety of in-plant, community and multifirm programs.

PFP firms are increasing their Negro work forces at a rate of more than 19 per cent a year, including many break-throughs in white-collar employment.

It was a group of PFP companies that helped launch the first Opportunities Industrialization Center, Inc. in an abandoned Philadelphia jail. More than 1600 persons have been trained and placed in jobs through the Philadelphia OIC, which carries the slogan, "We Help Ourselves."

PFP has an administrative staff in Washington run by full-time executives on loan for a year from their firms, which continue to pay the executives' salaries.

The staff oversees national projects. One such project is the communications campaign, coordinated by the Advertising Council. Its goal is to encourage more employment of persons from minority groups and to encourage Negroes, especially young ones, to get a good education and take advantage of the increasing career opportunities in business.

The campaign involves millions of dollars worth of donated advertising space and radio and television time.

PFP also conducts speeches, conferences and recruitment programs at schools having high Negro enrollments.

A group of some 200 young executives from minority backgrounds—all employees of PFP firms—has been visiting colleges and high schools in large cities as living witnesses that opportunity exists for those who prepare for it.

PFP is setting up local merit employment councils. There are now some 40 of them extending equal opportunity principles and practices to companies of all sizes.

PFP conducts seminars on manpower development and training, too. After one such seminar in Milwaukee, companies quickly committed 200 openings for on-the-job training of so-called unemployable young people.

PFP firms contributed more than \$150,000 to Vocational Guidance Institutes which bring together local businessmen, guidance counsel-

lors and administrators of inner city high schools having large numbers of minority students.

Plant tours, lectures and discussions with personnel experts provide school officials with a better insight into how to prepare their students for the changing job market.

Solving the welfare problem

R. H. Mulford, president of Owens-Illinois, Inc., a PFP firm, says: "For every young Negro man or woman whom we employ in a professional or managerial capacity, 20 young Negroes will remain in school who would otherwise become

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dropouts. If we can get this mathematical formula moving, we will be well on the way to eventual resolution of this great problem.

"It is in our obvious self-interest to help bring these people into the mainstream of our economic life, so they can be contributors and participants, rather than recipients of welfare programs and the cause of higher taxes.

"We have a rare opportunity to demonstrate how our great publicly owned industrial enterprises can be a constructive power in solving the social, as well as the economic, problems of our nation."

Noting the present tight labor

market, PFP participants point out how much better off firms are that instituted training programs long ago in the nonshortage years.

To solve part of this labor shortage, Robert O. Snelling, Sr., president of the nationwide employment agency of Snelling and Snelling, Inc., has been campaigning to encourage male high school graduates who don't plan to go to college to take business school courses and become secretaries.

Handicapped helped, too

Another group of so-called unemployables that private firms have been providing with jobs are the handicapped.

A good example is the policy of Alvey-Ferguson Co., Cincinnati conveyor equipment manufacturer. About 10 per cent of the firm's 450 employees are handicapped.

Jane Baker Spain, the firm's president and owner, claims the handicapped are the most reliable workers, can outproduce nonhandicapped, have a lower accident rate and never present problems in absenteeism or alcoholism.

"They don't stay off work for a headache," she told NATION'S BUSINESS. "They're so delighted to have a job, they come regularly and enjoy it. It's good for the other workers, too. They think: 'If he comes in, handicapped like that, I should come in, too.'"

"This is in no way to be considered charity, as the handicapped do not want charity, and a corporation is not in business to give charity of this kind.

"It is up to us to see that man is measured by his ability, not his disability. If we don't do this both as individuals and as corporations, we cannot hope to preserve the free enterprise system."

The philosophy of many businessmen who have joined in the battle to wipe out unemployment is summed up by George Champion, chairman of Chase Manhattan Bank:

"This is no mere exercise in altruism, but just good business sense. Improving the quality of our society is simply another step in the process of taking a broader gauged view of return on investment.

"The times in which we live have made this as necessary as investment in plant and equipment, in research and development, or in enlightened industrial relations. The distinction between capital investment and social investment is much more a difference of degree than of kind." **END**

WHAT'S HAPPENING TO THE BOOM

continued from page 38

letters: l-a-b-o-r. "It will worsen unless the government takes a firm stand and enacts sensible legislation," he warns, adding that "compulsory arbitration should be considered."

"The lazy American" will be the biggest problem, asserts Henry Darmstadter, president of Logan Packing Co., a Bellefontaine, Ohio, beef packing house. "We are unable to hire enough (American) people who are willing to work, yet we are able to recruit aliens living in Canada who are glad to accept the opportunity to better themselves."

David Packard, chairman of the electronics manufacturing Hewlett-Packard Co., thinks business will level off, but that there is "too much unnecessary federal spending—and it will get worse."

Frank L. Farwell, president of Liberty Mutual Insurance Co., believes "we're trying to do everything all at once—Viet Nam, the Great Society, above-average domestic growth rate—and it's putting excessive strain on our resources. I'm not optimistic that it will be solved this year." Mr. Farwell also expects business generally to remain at last year's level.

"Prices may rise less in 1967 than in 1966, unless the military buildup in Viet Nam increases substantially, but the problem of maintaining price stability will not be solved," is the way Michael L. Haider, Standard Oil Co. (N.J.) chairman, sums it up. But he believes business will climb this year, both his own and business generally.

"Inflation combined with economic decline," writes a vice president of a world-wide manufacturer which does more than two billion dollars of business a year. "It will probably get worse because wage increases are exceeding productivity gains and the resultant pressure on prices and profits will be inflationary at the same time that economic activity slows down because of a decline in investment and a step-up in foreign competition."

Money is apt to get even tighter, warns George A. Wilson, president of Lone Star Steel Co. L. W. B. Johnson, president of Illinois Central Railroad Co., and Martin Sheridan, an Admiral Corp. vice president, agree that tight money is the economy's biggest problem; Mr. Johnson thinks "there may be some easing in '67, but interest rates will continue high," while Mr. Sheridan believes "the situation should improve somewhat in 1967."

Holding the line against inflation is the country's biggest problem, says A. Lightfoot Walker, president of Rheem Manufacturing Co., a diversified manufacturer.

"Too much government spending, particularly on social projects," answers William R. Adams, president of big St. Regis Paper Co.

George E. Beggs, Jr., president of the instrument and control-making Leeds & Northrup Co., predicts business will improve this year but that inflation and payments imbalance "will be problems we will face for years to come."

With all these problems, how can many businessmen be optimistic?

Much of the answer can be found by examining their predictions on sales, profits and prices.

Sales. Businessmen appear more bullish about their sales now than just three months ago. Then, not quite 60 per cent of those responding thought volume would climb in 1967; now, it's more than 70 per cent.

And greater sales is the reason many executives cite for their expectation that business will improve or at least hold the line during this year.

Only seven per cent predict lower sales, while 21 per cent think they'll stay at 1966's high mark.

Profits. Slightly more than half expect profits to increase. But some hedge this prediction. The Southern Co.'s Mr. Branch predicts improvement "but only if management can work a few miracles, sufficient to overcome the cost-price squeeze."

About one fourth think profits will remain at last year's level, while one fifth think they'll decline.

Prices. Nearly half anticipate prices will have to go up. The spread is from aircraft makers to insurance companies to retailers. But many of the executives forecasting higher prices pencil in such adjectives as "moderately" or "slightly."

Henry R. Keene, president and general manager of The Edson Corp., a New Bedford, Mass., manufacturer of marine steering equipment and industrial pumps, says his prices will go up a small amount. But he adds that they have "stayed the same for eight years."

About 40 per cent think prices will stay at 1966 levels, while seven per cent believe they'll decline. High-



The government is trying to do everything all at once, asserts Frank L. Farwell, president of Liberty Mutual Insurance Co.



H. T. Hallowell, Jr., Standard Pressed Steel Co. president and chairman, anticipates increased sales, wages, prices and profits.



Norman Chandler, Times Mirror Co. chairman, expects a decline and warns that we must have a balanced budget over the years.

WHAT'S HAPPENING TO THE BOOM

continued

er prices are blamed mostly on actual or anticipated higher costs of labor. Most of the businessmen responding expect their labor costs in 1967 to climb about five per cent—half again as much as the Johnson Administration wage guideposts, which reflect the rate of productivity.

More alarming is that one in 10 thinks labor costs will go up a hefty 10 per cent.

The trouble, as W. C. Coleman, chairman and president of Monon Railroad, sees it, is that "politicians are trying to regulate business and at the same time court unions."

Arthur S. Collins, a partner in Collins Mfg. Co., an Oakland, Calif., tool, die and metal stamping concern, warns that "methods of dealing with 'built-in wage increases' must be found; unions must be regulated to restore the balance of power at the bargaining table."

The vice president of a controls manufacturer sums up a widespread concern: "Big settlements won by a few unions through strike action in 1966 will generate pressure for large settlements in other big industries. These large demands will be so unpalatable to management that strikes will result. I think 1967 will be much worse in this respect than 1966 was."

Hank Roberts, who heads a Boulder, Colo., fishing tackle company that bears his name, complains: "The cost of labor and the demands of labor unions are crippling us. I buy much foreign merchandise."

What kind of inflation

Businessmen see the current inflation composed of two varieties: cost-push and demand-pull. Cost-push comes from the higher cost of labor and materials pushing the price of products upward. Demand-pull occurs when too much money chases too few goods.

Many feel the cost-push element could be largely solved if unions, voluntarily or by government action, restrained their demands.

And many believe the demand-pull element has been worsened by the suspension this past autumn of the seven per cent investment tax credit and the accelerated depreciation of buildings.

They argue that the incentive was encouraging American industry to expand and modernize so it could meet increased demand and better compete with foreign products.

"But Johnson had to give the

impression of doing something to cool the economy—and corporations can't vote," opines one corporate leader. With the accelerated depreciation and investment tax credit suspended, business indeed appears to have cut back its spending plans for capital investment.

In the last previous survey, nearly 40 per cent expected to increase such spending; now, the figure is 30 per cent. And where less than 24 per cent predicted a decline, 32 per cent now do. Thirty-five per cent still expect spending for capital investment to stay at last year's level.

Look at some of the answers to the question: "What effect will the suspension of the seven per cent business investment credit and accelerated depreciation have on your company?" A spokesman for one of the nation's largest oil companies predicts, "It'll cost us about \$6 million in 1967."

Alfred E. Perlman, president of the New York Central Railroad, finds it "unfortunate that the investment credit incentive was removed while, at the same time, the Interstate Commerce Commission is trying to enforce another 'incentive'—penalty per diem—to force us to buy more freight cars. One arm of the government is contradicting the other."

Mr. Perlman adds that the Central's spending for capital investment this year will fall off "due to" suspension of the credit.

Another leading railroad official, Robert S. Macfarlane, chairman of the board of Northern Pacific Railway Co., says "some improvements will be curtailed" to hold spending around last year's.

"It will retard our expansion," chimes in Edwin Parker, president of A. G. Spalding & Bros., Inc., the sporting goods company.

A vice president of one of America's largest air lines writes that "the long lead time for our capital goods precludes any immediate effect." But he quickly adds, "Equipment purchase decisions may be postponed during 1967."

Roger Sonnabend, Hotel Corporation of America president, says: "We are greatly reducing investment in fixed assets for 1967 at least."

To David O. Mathews, president of the Chicago & Eastern Illinois Railroad, the suspension means "we will defer acquisition of new equipment and new construction." He

notes that you don't risk capital expenditures when the rate of return in the railroad industry is less than current interest rates.

Though commenting that his company's capital expenditure program "will go forward as planned," the comptroller of a large steel company adds that "net income will be lower than originally anticipated, but not substantially. We will have to borrow some money because of loss of the investment credit."

Although the two incentives have been of great help to many corporations, a number of executives write that they weren't a major factor in determining whether or not a spending project should be undertaken.

Says Goodrich's Mr. Keener: "We have always judged investment opportunities on their merits, without considering the investment tax credit."

Dean Heath, president of Heath Manufacturing Co., a Coopersville, Mich., woodworking concern, declares: "We have never purchased a machine or equipment because of this incentive. Only because we needed it."

The suspensions will have "no significant effect," says the board chairman of one of this country's largest retail store chains, "because of the long lead time on most projects and because the original decision (to invest) was not based primarily on tax considerations."

Donald S. Bittinger, president of Washington Gas Light Co., a District of Columbia utility, agrees. "We have not used 'fast' depreciation and have been amortizing the investment tax credit over the life of our property."

Despite promises by the Administration in 1962 when the law was enacted that the incentives would be permanent, not turned off and on, a number of executives were wary. Some now privately suggest doubt the incentives will be reinstated, as scheduled, a year from now.

G. B. Aydelott, president of the Denver and Rio Grande Western Railroad Co., takes a different view. "The time lag involved before the effect of this will be felt causes us to believe that Congress will realize its error and reinstate the investment credit before Jan. 1, 1968. Otherwise, the effect on capital spending might be felt at a time when it needs a stimulus rather than a damper."

The "New Economics"

Businessmen were also asked their opinion of the so-called "New Economics," the theory of using

federal fiscal policy to try to steer the economy's course by lowering taxes and increasing spending when demand is slack, and raising taxes when demand is tight.

Responses varied greatly, but many wrote that while they thought the economic philosophy had possibilities, politics and politicians kept it from working.

W. T. Rice, president of the Atlantic Coast Line Railroad Co., notes that one essential element is missing—"reducing government spending when demand is tight."

A major weakness of the New Economics is that it is based on economic forecasting which "is still limited in its accuracy," responds H. Thomas Hollowell, Jr., president and chairman of Standard Pressed Steel Co., a maker of fabricated metal products whose annual sales approach \$150 million. As evidence of this, Mr. Hollowell points to how economists grossly underestimated gross national product for 1966.

R. F. Erickson, president of Rayonier, Inc., a chemical and forest products company, thinks "the policy is generally satisfactory if it is coupled with reduced government expenditure. Government spending is the real cause of inflationary trends."

Connecticut Mutual's Mr. Zimmerman considers the New Economics a "failure. It may be attractive in theory—but we have neither the wisdom nor the courage to cut spending and raise taxes when the economy is overheating."

Motorola, Inc.'s 44-year-old board chairman, Robert Galvin, agrees: "It's a great theory, but it's impractical to apply correctly by politicians."

Jersey Standard's Mr. Haider contends the problem with the concept "has been one of application. Sufficient restraint during the past year has not been applied to moderate inflationary forces."

To Norman Chandler, chairman of Times Mirror Co., the big Los Angeles-based publisher, "it sounds all right on paper but it does not work. We must have a balanced budget over the years, or down the drain we all go."

"It's lunacy," writes Charles S. Coyle, president of Sherman Mfg. Co., Inc., a St. Louis metal stamping concern.

Fred Antil, who is president of a Detroit window and door manufacturing business of the same name, answers by saying: "I never could get out of debt by spending money I didn't have."

END



SIZING IT UP

A new Congress has come to town . . . and like its predecessors, it will be different from any that have convened before.

To give business and professional men a first-hand picture of the 90th Congress and its leaders, the National Chamber is holding its Fifth Association Public Affairs Conference in Washington on February 1 and 2 at the Sheraton-Park Hotel.

The Conference will be the first major public exposure of the November-elected legislative body. Leaders of the majority and minority parties named by the new Congress head the list of program principals invited to participate.

You can get a valuable and authoritative look at what the new year holds by attending. For further program and registration information, write: Association Service Department, Chamber of Commerce of the United States, 1615 H Street, N.W., Washington, D. C. 20006.

POINTERS FOR PROGRESS

through trade and professional associations

What to do when the

Final article of three-part series tells how to get your message across to employees when organizers move in

By the time a date has been set for a labor union election at your business, you can be sure that union organizers have found lodgings nearby. And they will stay in town throughout the campaign to drench your employees with a torrent of accusations against you.

Union organizers are taught that it's easier to turn employees against a company than to convince them of the value of a union. So they concentrate on exploiting internal problems and attributing nefarious motives to actions you take.

Organizers will pick away at your wage-benefit package. They will look far and wide for examples of better deals, though their examples may come from other types of jobs, other industries or even out of the organizers' imaginations.

The union campaign will go right into your employees' homes with personal visits by organizers. You probably will never hear of most of the wild remarks about you.

The stakes are high. If you lose the campaign, you are apt to be saddled with union problems and demands for the rest of your business life.

If you win you are somewhat assured of at least a year's nonaggression from that union.

You should counter union lies and distortions with facts. But don't waste effort answering all union charges, advises labor expert Carl A. Becker of New York City.

"Most challenges that the union throws out are designed merely to put you on the spot," he adds. "It's like a political campaign in that it's best to lead from your own strength."

Firms that do not fall under the National Labor Relations Board's jurisdiction have a much greater freedom in presenting their side in union organization campaigns than firms under the NLRB. Generally these are businesses that don't operate in interstate commerce.

Associate Editor WALTER WINGO, the author, specializes in labor-management affairs. This is the last of a three-part series.

"Recent decisions of the Board reflect a growing tendency of the Board to outlaw some remarks which were once deemed to be a legitimate expression of views," complains William Pate, a labor lawyer from Atlanta. "These expressions now result in an order to bargain. Serious restraints have been placed upon an employer desiring to oppose organization."

Regarding the free speech section of the Taft-Hartley Act, the Nevada Assn. of Employers recently stated: "The present Board has so whittled away at it, that it is for all practical purposes nonexistent."

Former NLRB Chairman Guy Farmer maintains that the union, on the other hand, can promise almost anything in an election campaign and get away with it.

Argument they can't fight

Whatever the handicap, it is still possible for the employer to package a highly effective message to his employees.

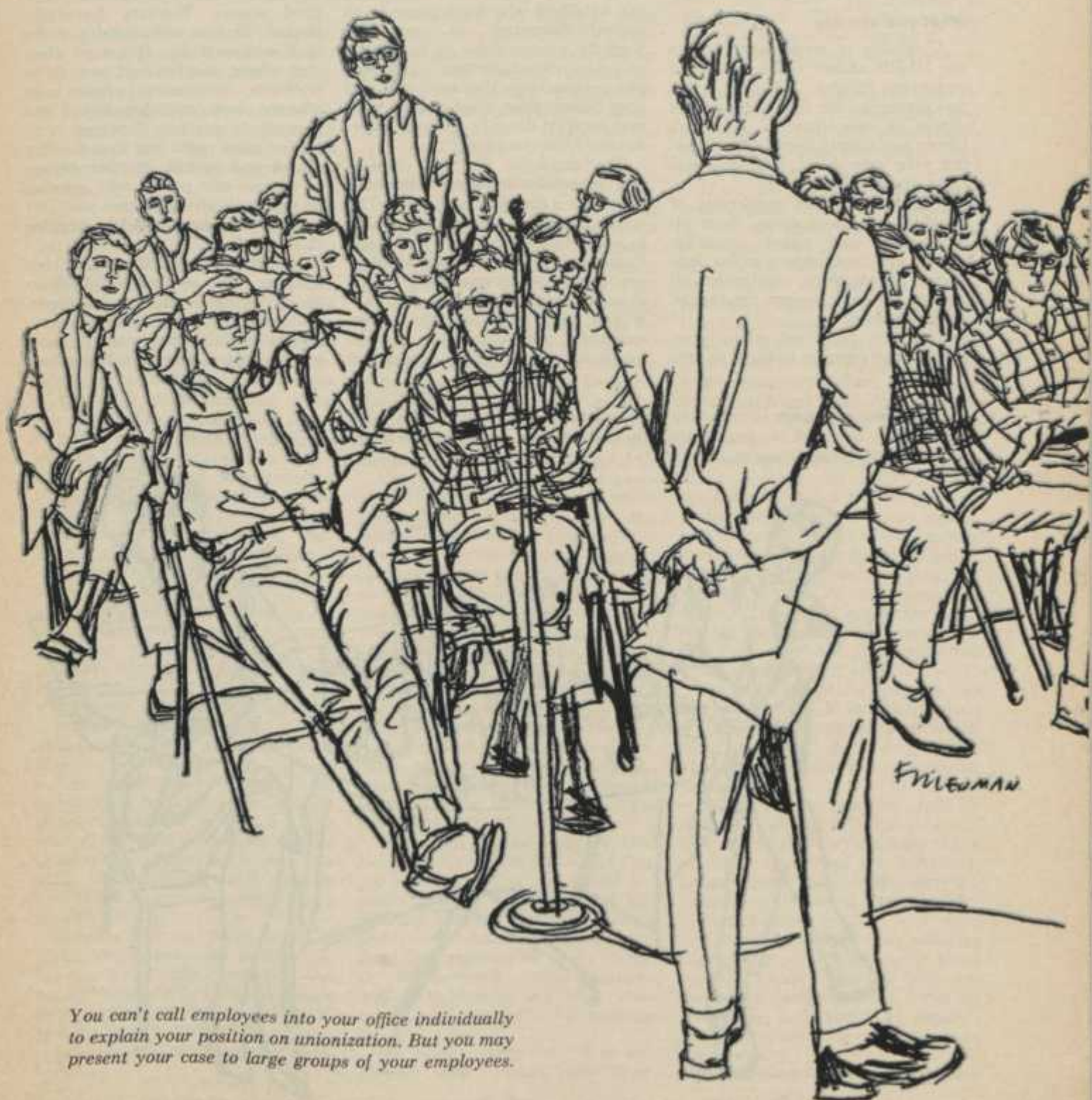
"The toughest argument for the union organizer to defend against is the assertion that employees will surrender a good chunk of their individual freedom if they vote for the union," says Al Hartnett, a former top union organizer and now a management consultant in Silver Spring, Md.

He suggests that you get copies of the international constitution of the union that's threatening you and point specifically to where the union treads on workers' rights. Look for passages about fines and other penalties imposed for missing meetings, for attempting to get out of the union or for otherwise failing to follow union bosses.

Tell how the union's international headquarters probably will try to dominate or strongly influence the local union as well as the lives of individual members.

Point out how much the international controls its locals and why the individual employee's voice and vote at union meetings are virtually meaningless. Show wherever the international controls such things as strike funds, strike votes, dues, fees, assessments and fines. Obtain Labor Department reports on the

union knocks



You can't call employees into your office individually to explain your position on unionization. But you may present your case to large groups of your employees.

finances and holdings of the union trying to organize you. Reveal the salaries and expense accounts given to professional labor leaders and the amount they spend on organizing.

Few employees realize to what extent unions are huge undertakings financed mainly by fat initiation fees, heavy monthly dues, extralegal fines and unexpected assessments.

What you can say

A catalog of some other things the NLRB allows you to tell your employees follows. Whether or not you choose to use them depends, of course, on your situation. But don't ignore any simply from fear of blowing your own horn, labor-management experts advise.

- You may remind employees of benefits you have given them already—such as wages, security, steady work, job opportunities, longevity and working conditions—all without union pressure, walkouts, strikes or dues.

- You may point out where your benefits are superior to those in oth-

er firms in your area or industry, including unionized shops.

- You may gather up copies of contracts the union has with other firms and show where your employees have better benefits already.

- You may point out to employees that there is nothing the union can get for them that they could not get on their own.

- You may argue that organizers are outsiders who have come in to spread disruption, to upset the working relationships in the plant, to cause dissatisfaction. Tell employees sincerely that both you and they benefit most when dealing with one another directly without interference from outsiders.

The employer and his employees, especially in small communities, have a common backyard. The union organizer will do everything to erase this from your employees' thoughts. He doesn't want employees identifying themselves with you in any way on election day.

- You may point out that, once unionized, your employees may no longer be able to discuss gripes and

troubles directly with you. They may be forced to rely on a union official, such as a shop steward, to talk for them.

- You may remind employees that now they may always discuss matters with you or any other member of management.

- You may expose the union's strike history. Union organizers will try to play down the strike issue—with good reason. Workers don't like strikes. Unions will probably claim they seldom strike. But show when and where they've had strikes or walkouts, how many persons were affected, how long they lasted and how much was lost in wages.

- You may point out that the law allows you to hire another person to replace any person who goes on an economic strike against you. But consult your lawyer before arguing this one.

In 1966 the NLRB began considering the above argument a threat if the employer also represents a strike as the inevitable result of unionization or has in some way indicated that he will not bar-

Mailing your campaign literature to the employee's home will give his wife the opportunity to weigh the impact that union dues, fees, fines and assessments, not to mention wages lost through strikes, would have on the family's budget.



DRAWINGS BY MORRIS FREEDMAN

gain with a union should it gain recognition.

- You may give your personal opinion of the union and its leaders and organizers. Your opinion can be uncomplimentary. But, of course, you can't libel or slander.

- You may instruct employees on what a union authorization card is. Point out that employees are not obligated to sign the cards and that they may vote in an election even though they haven't signed. Also note that signing a card does not obligate an employee to vote for a union.

- You may say that the election will be secret and the union organizers will never know how individual employees voted.

- You may tell employees that it's the firm that provides the jobs, not the union—and the union cannot prevent layoffs if they become necessary.

- You may say that unions are hardly the only means of insuring job security.

- You may tell how ambitious and skilled employees are discriminated against by seniority clauses found in most union contracts.

- You may tell employees about prior bad experiences you and other employers have had with unions.

- You may point out that union dues appear to be increasing faster than the wages unions are demanding for their members. The *AFL-CIO News* reported dues increases averaging more than 40 per cent in 1966.

- You may tell employees they have a right to join or not join a union and that you hope they will vote against the union.

- You may urge employees to report to their superiors any attempts by union organizers or agents to pressure, threaten or otherwise coerce them.

- You may point out to employees that they aren't obligated to talk to union organizers if they don't care to.

- You may explain that most unions push hard for a form of compulsory unionism in which those who don't want to belong to the union or pay dues to it can lose their jobs. And you may explain how union shops and agency shops operate.

A union shop, of course, is one in which employees must become union members to keep their jobs. An agency shop doesn't require union membership but does require employees to pay dues to the union—even those who are not union members.

- You may state your own opposition to these forms of forced unionism.

- You may point out that no union can get more from an employer than the employer is willing and able to give. It is still the employer who meets the payroll and must keep his company alive and competitive.

- You may urge all employees to vote.

- You may say that the employees' best interest lies in the union's defeat.

In whatever you say you must avoid language that directly or indirectly threatens any employee or promises him special benefits for favoring or opposing unionization. To do so would probably be an unfair labor practice (ULP) in the eyes of the NLRB.

How to get your story told

You have a variety of means through which to convey your message, including letters, company newspapers, newsletters, posters, assemblies and movies. Each of these means has its restrictions which are being laid down daily by the NLRB.

Be sure that the persons you pick to broadcast your message are effective communicators with a good reputation among the employees and a clear understanding of the campaign issues.

Your campaign committee probably will find itself devoting much time trying to second-guess the union. For surely the union will be busy second-guessing you. A favorite union tactic is to take the wind out of the employer's sails, warns Gordon Sinclair, industrial relations director for National Distillers and Chemical Corp., Bridgeport, Conn.

The union will try to tell your employees ahead of time what they can expect you to say and do. They hope they can thus make your campaign appear contrived and insincere. They want your employees to say, "Ah ha, that's just what the union said the boss would say."

Industrial relations expert Carl Becker advises that you avoid "paper warfare." You can spend too much valuable time preparing and printing answers to union charges and countercharges. Furthermore, the union pounces on every phrase in management communications hoping to squeeze out of it some evidence of bad faith by management.

It's best to keep letters to employees short, factual and clear.

Letters are especially effective if individually typed on high-grade company stationery and sent to the employee's home. There the employee and his wife will have time and privacy in which to consider your message. Often the employee's wife has the best understanding of the effect that loss of money through union strikes, dues, assessments and fines would have on the family budget.

Management consultant Al Hartnett warns: "Don't let your lawyer draft your letters. His language is too legalistic. Let somebody who knows how to write prepare it, and then show the draft to the lawyer to see if it's legal."

Literature to employees can include reprints of newspaper and magazine articles and photographs depicting union corruption and strike violence.

If posters are used, putting them behind glass will deter defacing.

You may insert literature in pay envelopes, too. This is especially effective on the payday just before the election. You can then indicate how much the union will grab from the next envelope should it win.

You should consult your labor lawyer before inviting employees to watch campaign films, especially the two entitled "And Women Must Weep" and "A Question of Law and Order."

Labor lawyer William Pate points out that while the first film is a dramatization and the second one a documentation of actual strikes and although no specific misrepresentation has been found in either film, the NLRB has said they are "in the nature of misrepresentations." The Board could rule it unfair to show either film especially if it finds you have also committed some more obvious ULP.

"It is still doubtful that the use of 'And Women Must Weep' alone will be held to constitute an unfair labor practice," Mr. Pate notes, "but the Board seems to be moving in that direction."

Some experts suggest holding daily 15 minute information-swapping meetings with your supervisors at which questions are answered, points gone over and everyone briefed on the latest campaign developments.

The meetings can also serve as pep rallies at which you or some outside speaker familiar with organization campaigns can build up confidence and convey to supervisors how crucial the campaign is to the company.

Supervisors can be your best



FIFTY-FIFTH

annual meeting

CHAMBER OF COMMERCE OF THE UNITED STATES

WALTER F. BATCHELOR

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The National Chamber's Annual Meeting—in Washington, April 30-May 3—will be helpful to you. If you have attended in other years, you know this already.

Write for detailed information.

CHAMBER OF COMMERCE OF THE UNITED STATES/WASHINGTON, D.C. 20006

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WHAT TO DO WHEN THE UNION KNOCKS

continued

campaigners—not by preaching from soapboxes, but simply by keeping their eyes and ears open and intelligently answering questions from employees.

While supervisors are free to respond to employees' questions, they cannot initiate conversations about the union either with individuals or small groups of employees to influence their vote in the election. The NLRB considers such actions as a type of coercion.

But management may address large groups of employees. The NLRB continues to call such assemblies "captive audience" meetings, a term that originated in the Wagner Act days when they were considered unlawful.

With the Taft-Hartley Act reaffirming the employer's right to make such speeches, the NLRB now allows them to take place, provided the union has a means of responding.

Assemblies are not always advisable, especially for the employer who never made speeches to his employees before the union threatened.

Indications are that the NLRB would like to revert to some kind of rule to give unions "equal time" whenever the employer makes a speech on his premises.

The NLRB has long had the hard, fast rule that within a 24-hour period prior to an election no company be allowed to hold a "captive audience meeting" during working hours or one which employees are required to attend. The silence period applies only to speeches, not to the distribution of literature.

If you do hold meetings, you should plan to have the last one as close as you can to the 24-hour silence period. This gets the most impact out of the speech and limits the union's ability to come out with statements that you'll never have a chance to set straight.

It is wise to tape record or transcribe all speeches and question periods in case the union much later claims that you said something at the assembly that constitutes a threat or a promise.

Where you must aid the union

While the NLRB forbids an employer from visiting an employee's home for the purpose of electioneering, it permits a union to do so.

In fact, beginning last March, the NLRB has given employers seven days after an election is or-

dered in which to supply it with a list of names and home addresses of all employees in the voting unit. The NLRB turns the list over to the union. Failure to submit the list could result in the setting aside of the election should you win it.

This policy was outlined in the colorfully-named *Excelsior Underwear* case.

A noted arbiter, Prof. Benjamin Aaron, director of the Institute of Industrial Relations, University of California at Los Angeles, believes the *Excelsior* ruling could be a blessing in disguise for employers. By giving the union the home addresses of its employees, he says, it could be argued that a firm has fulfilled its obligation of providing the union with a means of responding to company arguments.

Many businessmen, however, are concerned about the possible unconstitutionality of the NLRB's policy which forces the employer to aid the union in intruding upon an employee's privacy.

Management attorney Jay S. Siegel of Hartford, Conn., attacks the *Excelsior* policy as going beyond the Board's statutory duty of "overseeing" representation elections. He adds that the Board seems concerned only that employees be fully informed by the unions and is applying a "double standard" which restricts similar efforts by employers.

A notable action was taken last month by the U.S. District Court for the Middle District of North Carolina. It dismissed an NLRB suit against a firm for refusing to hand over the names and addresses of its employees. The judge stated that the NLRB wanted the information for a purpose not intended by Congress.

Sometimes other members of the community want to help you because they believe a union victory could hurt the whole town. Community groups sometimes take out full-page ads in papers urging employees to vote "No." Local laws and licenses controlling solicitation, handbill distribution and use of sound devices cut into union organization tactics.

Unions have come to rely more and more on the unfair labor practices charge as a device for getting recognized despite what employees may want. They use the ULP in several ways.

"The union tries to get you so scared of violating the law that you

won't move," industrial relations specialist Gordon Sinclair says.

"Sometimes," warns labor lawyer Jay Siegel, "the union, realizing it's not going to win an election, will throw in an unfair labor practice charge in order to block the election and give it more time to try to convince employees of its view."

Unions also use the ULP device to get a "cease and desist" order which usually is accompanied by "corrective action."

Guy Farmer, former NLRB chairman, says that even though the Supreme Court has ruled that an employer does not have to let an outside organizer in his plant, the NLRB sometimes gets around this by ordering employers to let organizers on their property as a "remedy" for a ULP violation.

The most notable "corrective action" is the order to bargain with the union on the basis of the union's authorization card majority. This order can come without an election or even after employees have voted against the union. The NLRB reasons here that the employer had raised the majority question in bad faith, thus committing a refusal to bargain.

The union will try everything to get you to commit so-called unfair labor practices. One tactic is for an employee to try to trip up a supervisor with an entrapment question, such as, "Did you know Bill signed a union card?" (It's a ULP for a member of management to discuss who has signed authorization cards.)

Usually the NLRB will not process a charge based on events occurring more than six months before the charge is filed.

However, "the employer cannot assume that any unfair practices will not be considered substantial enough to result in an order to bargain," Mr. Pate warns.

Employer beware

Here are some actions you, your supervisors and others must beware of if you fall within NLRB jurisdiction:

- You may not make statements or take actions which threaten or promise promotions, raises or other benefits dependent on how an employee votes.
- You may not question employees as to how they plan to vote.
- You may not forbid the wearing of union campaign buttons.
- You can't ask employees what they think of a union or its officers.
- You may not discharge, lay off

or otherwise punish or discriminate against a man for his union activities.

- You can't behave as if you are watching employees to find out about their union activities. For example, you can't sit in your car across the street from a union meeting, as if you were checking to see who attends.

- You may not ask an employee to give you the names of employees who attend meetings. If an employee volunteers such information, you may listen, but you can't ask him to tell you more.

- You may not ask a prospective employee about his union affiliation.

- You may not hold straw votes.
- You may not say that overtime will be discontinued or that employees will be laid off if the union wins.

- You may not offer bribes.

- You may not ask an antiunion employee to try to induce other employees to vote against the union.
- You can't do anything that may be considered as interfering with employees' participation in union activities.

- You may not interview individuals or small groups in your office or any private nonworking area to influence their votes.

- You may not materially misrepresent the wages and fringe benefits you pay.

- You may not treat union sympathizers differently from union opponents regarding overtime and other preferred assignments. The same goes for taking disciplinary actions.

- You may not say or imply that a union victory would result in a strike with resulting economic loss to employees.

- You may not state that union organization is futile because the union can get nothing for employees through bargaining. The NLRB says such a statement could imply that the employer does not intend to bargain in good faith with the union should it win.

- You may not predict that you will lose business because of unionization.

- You may not predict that meeting the union's expected wage demands would cause curtailment of working hours and possibly even a move of the plant or shutdown of operations.

There still are, nevertheless, some actions you can take without NLRB reaction. You may for example:

- Continue to run your shop as normal—just so your actions aren't

designed to discourage union activity.

- Take normal disciplinary actions, including firing persons for nonperformance, so long as you're following customary practices.

- Raise the pay of employees if it's a normal merit increase or part of your regular wage pattern.

You should stay alert, too, for union violations of the Taft-Hartley Act. Unions cannot engage in gross misrepresentations, excessive spending or any type of picketing other than informational or "publicity" picketing during a campaign. Neither can unions threaten or coerce employees nor try to induce them not to work.

Should you catch the union in an illegal action, you may file a charge with the NLRB. Although it often may not seem so, the duty of the NLRB is still to maintain fair play in labor-management relations. **END**

REPRINTS of "What to Do When the Union Knocks, Part Three" may be obtained for 35 cents a copy, \$16 per 100 or \$135 per 1,000 postpaid from *Nation's Business*, 1615 H St. N.W., Washington, D.C. 20006. Reprints of all three articles in the series may be obtained for 90 cents a set, \$42 per 100 sets or \$360 per 1,000 sets. Please enclose remittance.

PARTNERS IN CRIME BUSTING

continued from page 62

pawnshop, jumped the man, disarmed him and sat on him until help came.

Mr. Browder believes because communities of late have become aroused over street crime, the situation has improved. The same thing, he thinks, will have to happen for organized crime.

"It may have to get worse before it gets better."

To combat hijacking and stealing from trucks, the Association of Commerce and Industry formed a cartage theft committee to work with a special police detail. Results have been outstanding.

Another special effort involves a blue-ribbon panel of business and civic leaders to make recommendations by Jan. 31 on how to improve police and community relations.

"We've sent out questionnaires to 425 groups and individuals," said Marvin Aspen, special counsel to the committee headed by Thomas R. Mulroy, a prominent attorney

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BUSINESS: PARTNER IN CRIMEBUSTING

continued

and former Crime Commission president. "We'll hold public hearings."

Building mutual confidence

"Simply stated," Mr. Mulroy said at the committee's first meeting, "the problem of police-community relations is one of developing mutual respect and confidence."

A special subcommittee of the group is exploring "the role of the corporate community" in these relations. Mr. Mulroy cited the contribution of Sears Roebuck & Co., whose president Crowds Baker is a member of the committee, in making its parking lots in Chicago available as playgrounds when stores are closed.

Sears is also working with the committee in producing a movie about the Chicago Police Department. It will be shown in churches, boys clubs, youth organizations, civic clubs.

Kemper Insurance Co. is also cooperating on another film, an adaptation of a television documentary,

"The Thin Blue Line," on the problems of police.

Wauwatosa, a Milwaukee suburb of some 60,000 has gained fame for programs guided by its Police Chief John Howard, Capt. Alvin Bastings and Lt. Jack Cormack.

Businessmen cooperate

"We've gotten great cooperation from the business community," says Capt. Bastings.

The three officers developed a 70-minute slide presentation which Capt. Bastings calls "a pretraining program for victims." It concentrates on what a person should look for to identify a criminal.

Another, "Stop the Shoplifter," is a training program for merchants and their employees.

"You know," says Capt. Bastings, "people may not realize it, but shoplifting costs merchants hundreds of millions of dollars each year." (The FBI reported more than 112,000 cases of shoplifting in 1965.)

A third program is called "Parent Pro-Tem." It is designed to be

shown in schools, churches and clubs, and is aimed at young girls who baby-sit. It shows them what to do in case of emergencies, kitchen accidents (with the local gas company furnishing its demonstration kitchen as the prop for illustrative pictures) and prowlers.

In Philadelphia, which Chief Inspector Harry Fox proudly notes has the lowest crime rate of any of the 10 major cities, an extensive program of cooperation is carried out by the Police Community Relations Unit, a handpicked force of 45 officers.

To combat narcotics, the unit takes a float onto the campuses of colleges in the city, distributes literature and points out the menace of dope.

One of its most successful projects has been a coloring book for youngsters just starting to school. It's designed to impress on them: "Don't open the door to strangers" and "Don't go off with strangers."

"We're very fortunate," Inspector Fox says, "to have always had the closest kind of cooperation from the business community and other organizations." **END**

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Nation's Business • January 1967

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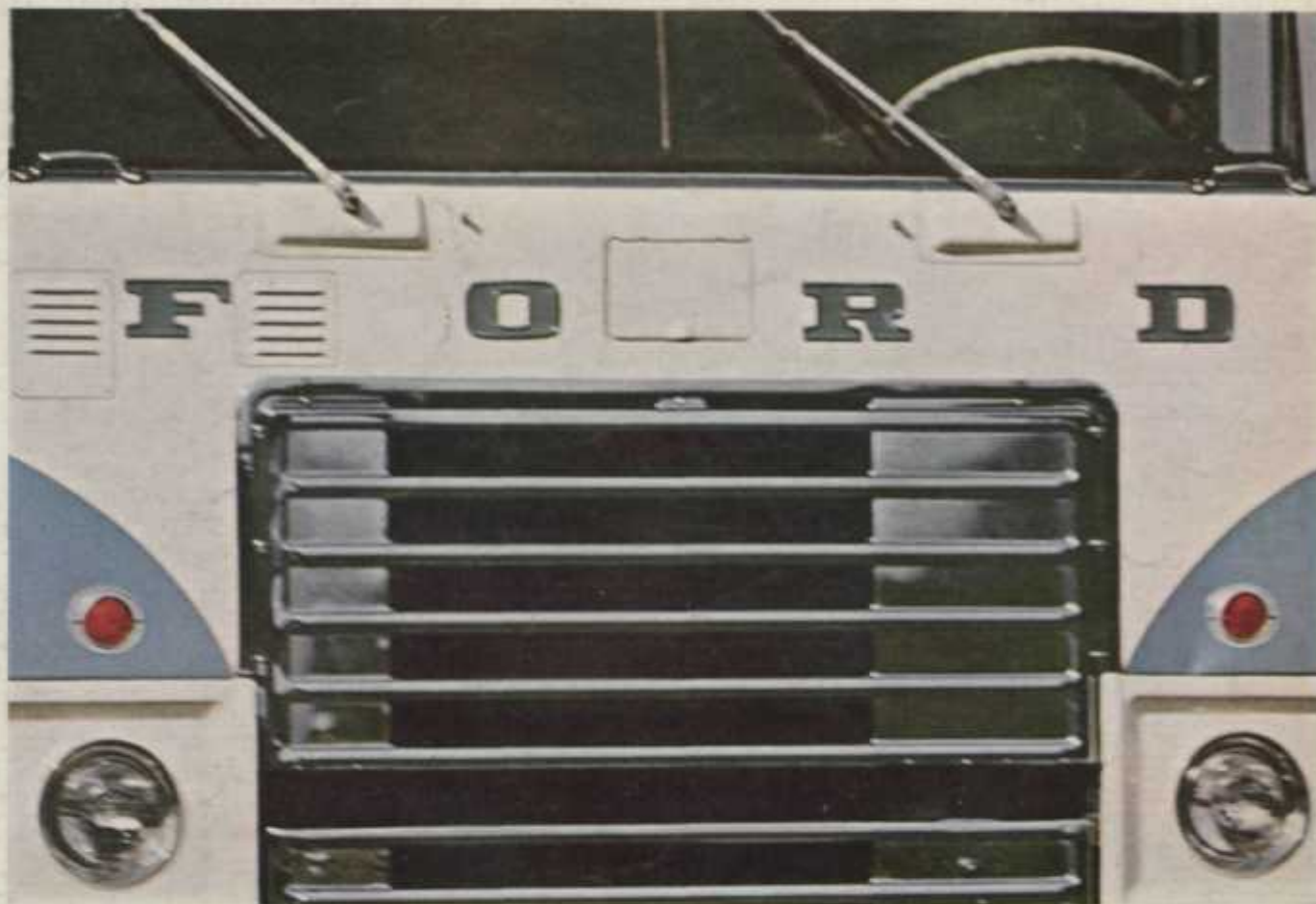


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